

Exhibit D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT CINCINNATI

WALTER W. THIEMANN, on
behalf of himself and
of all others similarly
situated,

Plaintiff,

VS.

CASE NO. C-1-00793

OHSI FINANCIAL CORP.,
OAK HILLS SAVINGS AND
LOAN COMPANY, F.A.,
NORBERT G. BRINKER,
KENNETH L. HANAUER,
WILLIAM R. HILLEBRAND,
ALVIN E. HUCKE, THOMAS
E. MCKIERNAN, JOSEPH J.
TENOVER, HOWARD N.
ZOELLNER, PROVIDENT
FINANCIAL GROUP, INC.,
ROBERT L. HOVERSON,
JACK M. COOK, THOMAS D.
GROTE, JR., PHILIP R.
MYERS, JOSEPH A. PEDOTO,
JOSEPH A. STEGER,
CHRISTOPHER J. CAREY,
CLIFFORD ROE, and
DINSMORE & SHOHL, LLP,

Defendants.

Deposition of JOSEPH A. STEGER, a
witness herein, called by the plaintiff for
cross-examination, pursuant to the Federal
Rules of Civil Procedure, taken before me, Lee

Ann Williams, a Registered Professional
Reporter and Notary Public in and for the State
of Ohio, at the offices of Keating, Muething &
Klekamp, 2605 Burnet Avenue, Cincinnati, Ohio
45202, on Wednesday, January 16, 2002, at

APPEARANCES:

On behalf of the Plaintiff:

Michael G. Brautigam, Esq.
Gene Mash & Associates
2605 Burnet Avenue
Cincinnati, Ohio 45219
and
Ann Luggbill, Esq.
2406 Auburn Avenue
Cincinnati, Ohio 45219

On behalf of the Defendants:

James E. Burke, Esq.
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1400 Provident Tower
One East Fourth Street
Cincinnati, Ohio 45202

On behalf of the Defendants Dinsmore &
Shohl and Clifford Roe:

Dennis P. Deters, Esq.
Schroeder, Maundrell, Barbieri
& Powers
110 Governor's Knoll
11935 Mason Road
Cincinnati, Ohio 45249

STIPULATIONS

It is stipulated by and among counsel for
the respective parties that the deposition of
JOSEPH A. STEGER, a witness herein, called by
the plaintiff for cross-examination pursuant to
the Federal Rules of Civil Procedure, may be
taken at this time by the notary; that said
deposition may be reduced to writing in
stenotypy by the notary, whose notes may then
be transcribed out of the presence of the
witness; and that proof of the official
character and qualifications of the notary are
expressly waived.

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JOSEPH A. STEGER
having been first duly sworn, testified as
follows:

CROSS-EXAMINATION

BY MR. BRAUTIGAM:

Q. Good afternoon, Dr. Steger. My
name is Michael G. Brautigam and I am one of
plaintiff's counsel in this litigation. To my
right is my co-counsel, Ann Luginbill. Dr.
Steger, do you know Judge Sandra Beckwith?

A. Oh, yeah, uh-huh.

Q. How do you know her?

A. She's a graduate of ours.

Q. And do you have any ongoing
contact with her?

A. No.

Q. Have you had any contact with her
in the last ten years?

A. Yes. She's spoken at the law
school.

Q. And have you personally done
anything to interact with her in the last ten
years?

A. No.

MR. BURKE: Objection to

relevance.

A. No, that I know of.

Q. Are you aware that Mr. Meier
apparently made an inquiry of the Provident
Board?

A. No.

Q. Was this ever discussed at the
Provident Board level?

A. I don't remember so.

Q. Did Mr. Meier, in effect, make a
demand on the Provident Board?

MR. BURKE: Objection to
relevance.

A. I don't have a clear clue. I
never got a letter from him.

Q. If someone were to send a letter
to the Provident Board of Directors, would you
ultimately see that letter?

A. I don't -- can't answer that
question. I don't process that material.

Q. If someone were to make a demand
on the Provident Board in writing by certified
mail, how would you know of that demand?

MR. BURKE: Objection. Calls for
speculation.

relevance. You may answer. Go ahead.

Q. Do you know Magistrate Judge
Timothy Hogan?

A. No.

(Steger Exhibit Number 24
was marked for identification.)

Q. Dr. Steger, let me hand you what
has been marked as Plaintiff's Exhibit 24, and
I ask you to take a look at it. For the
record, it is a December 17th, 2001 letter from
Jim Burke to Gary Meier. Dr. Steger, with this
document as with any other, please take as much
time as you need to review the document, but in
many cases I think I can direct your attention
to a particular point.

With respect to this document, my
first question is, have you seen this document
before?

A. No.

Q. Do you know who Gary Meier is?

A. No.

Q. Did you authorize Mr. Burke to
respond on behalf of the Provident Board of
directors to Mr. Meier's inquiry?

MR. BURKE: Objection to

A. I don't even know what you're
asking me.

Q. If someone were to send a
certified letter to the Provident Board of
Directors, do you believe --

A. Now, let me ask you a question.
Is this each individual director or is it to
the, you know, to the bank?

Q. Dr. Steger, if someone were to
write a letter to the Provident Board
collectively, not individually, and send it to
the Provident Board at its business address by
certified mail or regular mail, would you get
that mail?

A. I have no idea.

Q. Have you ever received
correspondence in your capacity as a Provident
director from shareholders?

A. I wouldn't know if they were
shareholders or not. Once in a while we get
something individually to your home or
something like that.

Q. Are you familiar with the concept
of making a demand on a board?

A. No.

1 Q. Have you ever heard of a
2 derivative action?

3 A. No.

4 Q. Let me direct your attention to
5 the penultimate paragraph in this letter. Do
6 you see that? It says the answer to your
7 inquiry is simple.

8 A. Yeah.

9 Q. Would you read that to yourself,
10 please?

11 A. Okay.

12 Q. ~~What are plaintiffs seeking in the~~
13 ~~Oak Hills shareholder litigation?~~

14 A. ~~I have no idea.~~

15 Q. Are you familiar with the concept
16 of fiduciary duty?

17 MR. BURKE: Objection to form.
18 Objection to relevance.

19 A. Sure.

20 Q. What is your understanding of that
21 concept?

22 A. My understanding is to make sure
23 that -- that we run our bank effectively enough
24 that there is no problems.

25 Q. Do you consider litigation a

1 problem?

2 A. No, not at all.

3 Q. Never?

4 A. No.

5 Q. Why not?

6 A. I get -- been all my life in
7 litigation, every job I've ever worked in, it's
8 just part of the scene.

9 Q. ~~Are you familiar with the concept~~
10 ~~of full and fair disclosure?~~

11 A. ~~No, I'm not a lawyer.~~

12 Q. I didn't ask if you were a lawyer,
13 Dr. Steger, I asked if you were familiar --

14 A. No.

15 Q. Okay. Do you believe that as a
16 director of a public company, you have a duty
17 to the shareholders to make full and fair
18 disclosure?

19 A. Certainly.

20 Q. How do you go about fulfilling
21 that duty of full and fair disclosure?

22 A. Well, we have very effective
23 management.

24 Q. What do you do personally as a
25 director?

1 A. We have our Board meetings, go
2 over the things that are presented to us, and
3 ask questions, but in the main the management
4 handles things very well.

5 Q. Let's mark this as Exhibit 25,
6 please.

7 (Steger Exhibit Number 25
8 was marked for identification.)

9 Q. Dr. Steger, before we leave
10 Exhibit 24, can you tell me how it's important
11 that Mr. Burke writes in the first paragraph,
12 quote, I represent and am responding on behalf
13 of the Board of Directors of Provident
14 Financial Group, Inc., given that you've never
15 seen Mr. Meier's letter nor Mr. Burke's letter?

16 MR. BURKE: Objection. Relevance.
17 You may answer.

18 A. Well, that's his job to answer it.

19 Q. Why is that?

20 A. Because he's the counsel.

21 Q. ~~Is it your job to read letters~~
22 ~~that are directed to the Provident Board?~~

23 A. ~~It's not our job to read letters~~
24 ~~necessarily directed to the Board. It's to~~
25 ~~hear what's going on and then assign it to the~~

1 right person to respond.

2 Q. Okay. Taking the first part of
3 your answer, to hear what's going on, with
4 respect to whatever Mr. Meier was addressing,
5 did you hear what was going on?

6 A. No, because we never literally
7 discussed Mr. Meier.

8 Q. Does that concern you?

9 A. No, not at all.

10 Q. ~~Why not?~~

11 A. ~~Because we have excellent legal~~
12 ~~counsel and we have excellent officers.~~

13 Q. Okay. How do you evaluate the
14 officers of the company?

15 A. By the performance of the company.

16 Q. Okay. How do you evaluate legal
17 counsel?

18 A. Legal counsel? He keeps us
19 informed and does a good job and that's how you
20 judge them.

21 Q. Who are you talking about when you
22 said "he" keeps us informed?

23 A. Mark. Mark Magee, the legal
24 counsel at the bank.

25 Q. And is Mr. Magee an attorney at

13

1 the bank or is he an attorney with the firm
2 KMK?

3 A. No, he's the attorney for the bank
4 at the bank. He's an officer in the bank.

5 Q. Okay. I'm handing you what has
6 been marked as Plaintiff's Deposition Exhibit
7 25 and I ask you to take a look at it. Dr.
8 Steger, Plaintiff's Exhibit 25 is a January
9 16th, 2002 press release entitled Provident
10 Financial Posts Net Loss on Problem Loans.
11 Have you seen this document before?

12 A. Have I seen this document?

13 Q. Yes.

14 A. No.

15 Q. Have you, perhaps, read this on
16 the Internet?

17 A. No.

18 Q. Okay. What is the purpose of
19 Plaintiff's Exhibit 25?

20 MR. BURKE: Objection to
21 relevance.

22 A. This document?

23 Q. Yes.

24 A. What is the purpose of it? It
25 essentially -- we discussed this at the Board,

15

1 ~~This is millions and millions and millions of~~
2 ~~dollars~~

3 Q. Okay. You testified that you
4 don't know what the Provident -- excuse me,
5 what the Oak Hills shareholders are seeking,
6 correct?

7 A. No, I don't know what they're
8 seeking.

9 Q. ~~So you have no idea of the dollar~~
10 ~~magnitude that they are seeking, correct?~~

11 A. ~~No, but the deal was not that big.~~

12 Q. Can you answer my question,
13 please?

14 A. I just did.

15 Q. Dr. Steger, do you have any idea
16 of the dollar magnitude that plaintiffs are
17 seeking with respect to the Oak Hills
18 shareholder litigation?

19 A. No, no.

20 Q. Okay. So how can you form a
21 conclusion as to whether or not the pendency of
22 the litigation is material?

23 MR. BURKE: Objection. Asked and
24 answered.

25 A. Yeah.

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1 to be honest with you. And the fact is that
2 many of the banks had a position in airlines.
3 And of course then when 9/11 came along and the
4 problems with the airlines being grounded and
5 losing money, one of the things was the loans,
6 of course, then are at risk. And we discussed
7 that at length and said, fine, then just tell
8 the public that.

9 Q. Right.

10 A. So that's good disclosure.

11 Q. And how do you determine that
12 it's, in your words, good disclosure?

13 A. Because we didn't have a problem.
14 They told the public.

15 Q. Okay. Do you consider the Oak
16 Hills shareholder litigation to be possibly a
17 problem?

18 A. I don't know. I'm not a lawyer.

19 Q. I'm not asking you as a lawyer.

20 ~~Do you as a director of Provident consider the~~
21 ~~Oak Hills shareholder litigation to be a~~
22 ~~possible problem?~~

23 A. ~~Not really.~~

24 Q. ~~Why not?~~

25 A. ~~Because it's such a small thing.~~

16

1 MR. BURKE: You may answer again.

2 A. Okay. I just don't think it's an
3 overwhelming deal, given the scale of things
4 that banks deal with.

5 Q. And what is that conclusion based
6 on?

7 A. The question you asked me in this.
8 There is millions and millions -- \$300 million
9 for the airplanes, which every bank held some
10 chunk of. That's a serious problem for every
11 bank.

12 Q. Can you define "overwhelming deal"
13 as you used it in your previous answer?

14 A. No, I can't define it. It's just
15 a judgment of mine.

16 Q. You know it when you see it?

17 A. Not necessarily, but I hope so.

18 Q. Dr. Steger, do you know that one
19 of the things that plaintiffs are asking for in
20 the Oak Hills shareholder litigation is
21 rescission of the transaction?

22 A. No, but now I do, I guess you
23 asked that.

24 Q. Okay. Do you think that
25 rescinding that transaction, if the judge

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1 ordered that, would have a material effect or
2 could have a material effect on Provident?

3 MR. BURKE: Objection. Calls for
4 speculation.

5 A. I have no idea. We'd have to go
6 look at the books.

7 Q. What would you look for?

8 A. I'd look for the size of the --
9 the purchase, for the rescission and whatever
10 else goes with it, and the cost.

11 Q. And Dr. Steger, this lawsuit was
12 filed on September 20th of 2000. Is that
13 consistent with your recollection?

14 A. I don't know when it was filed.

15 Q. Are you aware of any motions that
16 have been filed on your behalf?

17 A. No.

18 Q. Are you aware of any motions that
19 have been filed by plaintiffs to certify a
20 class?

21 A. No.

22 Q. Are you aware that in some cases
23 with respect to other public companies, when
24 the plaintiffs survive a motion to dismiss,
25 some form of public disclosure is made?

1 MR. BURKE: Objection. Calls for
2 speculation as to what other companies do.

3 A. Yeah, I don't have any idea what
4 you're talking about.

5 Q. Okay. Dr. Steger, are you aware
6 that with respect to some companies, when a
7 class of shareholders is certified against a
8 particular institution, that some companies
9 feel that that's a material event and
10 disclosure is made?

11 MR. BURKE: Same objection, calls
12 for speculation.

13 A. That's nice. I'm not with those
14 other companies.

15 Q. Are you aware that they do that on
16 occasion?

17 A. No.

18 Q. Okay. Did the Provident Board
19 ever consider disclosing the pendency of this
20 lawsuit?

21 A. Not that I know of.

22 Q. ~~Did the Provident Board ever~~
23 ~~discuss disclosing the pendency of this lawsuit~~
24 ~~after the plaintiffs had survived the motion to~~
25 ~~dismiss?~~

19

1 MR. BURKE: Asked and answered.

2 A. I don't know what you're talking
3 about. What's a pendency or whatever you're
4 saying?

5 Q. Okay. Dr. Steger, did the
6 Provident Board ever consider disclosing to the
7 investing public the existence of this lawsuit
8 after a class had been certified?

9 A. Not that I know of.

10 Q. Well, you would know what goes on
11 at the Provident Board, correct?

12 A. Correct. But, as I said, not that
13 I know of.

14 Q. Okay.

15 A. I answered your question.

16 Q. Okay. Why not?

17 A. I haven't a clue.

18 Q. Is it important that the
19 information in Plaintiff's Exhibit 25, the
20 press release, be accurate and complete?

21 A. Well, I would assume it always
22 would be.

23 Q. Okay. Why would you assume that?

24 A. Because they want to make sure the
25 public understands this.

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20

1 Q. Is this a policy at Provident that
2 press releases are somehow checked or
3 scrutinized before they're released?

4 A. I wouldn't know.

5 Q. Who would know?

6 A. You'd have to ask the officers.

7 Q. Have you ever reviewed a press
8 release before it was released?

9 A. No.

10 Q. Why not?

11 A. Because normally all the financial
12 press releases and everything are on the net.
13 And then they also, when they have their
14 monthly or annual reports to the public,
15 they're on the net, too, so you can look them
16 up and read them yourself.

17 Q. My question was a little
18 different. Before anything like that is put on
19 the net, is there a policy in place at
20 Provident where these press releases or the
21 information that's put on the net is reviewed
22 by someone at the Board level?

23 A. No. It would be the officers'
24 problem, not the Board's problem.

25 Q. When you said "problem" in your

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21

1 previous answer, to what are you referring?

2 A. I'm referring to they have to
3 write it, they have to get it out to the
4 public, and they have to do that kind of thing.
5 The Board isn't sitting around reviewing press
6 releases.

7 Q. What does the Board do?

8 A. A lot of things.

9 Q. Okay. We'll come back to that
10 later. Let's mark this as the next exhibit,
11 please.

12 (Steger Exhibit Number 26
13 was marked for identification.)

14 MR. BURKE: I hate to be
15 disagreeable, Mike. Is there a reason why
16 we're talking about January 2002 press releases
17 in a lawsuit that relates to a 1999
18 transaction? I guess you know Mr. Steger has
19 some limited time today. We're happy to answer
20 any questions you want, I just don't understand
21 where this is -- how this is advancing things
22 and what the relevance of any of these press
23 releases is.

24 MR. BRAUTIGAM: Well, Jim, I will
25 make an exception and answer your question.

23

1 A. Given the economy.

2 Q. And when you have a conference
3 call like this --

4 A. This isn't a conference call.

5 Q. What is it?

6 A. This is -- in general, you can get
7 on there, and sometimes I don't even get on
8 these. This is not calling the Board, this is
9 open to financial people and all kinds of
10 people on the net.

11 Q. Actually isn't it open to
12 everyone?

13 A. Yeah.

14 Q. As a result of --

15 A. Sure.

16 Q. Dr. Steger, if you could wait till
17 I finish my question, I think it would be
18 helpful for the reporter and the record.

19 A. Well, then you listen to me when I
20 talk, too.

21 Q. Dr. Steger, I am listening to you
22 and I'll try not to step on your lines if you
23 try not to step on my questions. Is that fair?

24 A. Fine.

25 Q. Okay, thank you. Now, Dr. Steger,

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1 There is a reason for everything that I do and
2 I don't want to debate with you anymore on the
3 record.

4 BY MR. BRAUTIGAM:

5 Q. Dr. Steger, I have handed you what
6 has been marked as Plaintiff's Deposition
7 Exhibit 26 and ask you to take a look at it.
8 Have you seen this document or the information
9 that it contains before?

10 A. Well, this is for the financing
11 people. I probably read it, but go ahead.

12 Q. For the record, Plaintiff's
13 Exhibit 26 is a press release entitled
14 Provident Financial Group, Inc. invites you to
15 listen to its fourth quarter/year end 2001
16 earnings conference call live on the Internet.

17 A. Um-hmm.

18 Q. Now, Dr. Steger, what is the
19 purpose of this conference call?

20 A. To inform the public how well the
21 institution is doing.

22 Q. Okay. How has the institution
23 been doing lately?

24 A. Pretty well actually.

25 Q. Okay.

24

1 isn't anyone in the world allowed to call in to
2 this conference call?

3 MR. BURKE: Objection. Calls for
4 speculation.

5 A. I wouldn't know.

6 Q. Provident would not make
7 collective disclosure of material information
8 to some shareholders and not to others,
9 correct?

10 MR. BURKE: Objection to
11 relevance.

12 A. I don't know. I do know that
13 they -- this is just for everyone that wants
14 to.

15 Q. And do you agree with me that
16 Plaintiff's Exhibit 26 is promulgated on the
17 Internet?

18 A. Correct.

19 Q. And anyone with access to the
20 Internet can go and pull this off and read it,
21 correct?

22 A. Correct.

23 Q. And what's the purpose of that?

24 A. Hopefully to get customers.

25 Q. What about with respect to

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1 shareholders? Do you want to inform the
2 existing shareholders and potential
3 shareholders of Provident's financial
4 situation?

5 A. Well, you want to make sure you
6 inform your shareholders, but also other
7 people, because you'd like to increase your
8 business and the Internet is a great way to do
9 that.

10 Q. Does Provident intend to disclose
11 the pendency and the status of the Oak Hills
12 shareholder litigation in this conference call
13 which is going to take place live in about 35
14 minutes?

15 A. I don't have a clue.

16 Q. Why not, Dr. Steger?

17 MR. BURKE: Objection, Asked and
18 answered.

19 A. I told you before the management
20 is handling that. The Board doesn't sit around
21 handling those issues.

22 Q. When you say "those issues," what
23 issues specifically are you referring to?

24 A. Well, in terms of the -- your suit
25 and so forth. We are informed about it and so

1 forth, and then we tell the management, good,
2 you handle that. And so that's what they're
3 doing.

4 Q. Were you informed about the
5 lawsuit by management?

6 A. Um-hmm.

7 Q. Who informed you of the fact of
8 the suit?

9 A. The legal counsel of Provident.

10 Q. Okay. Did you ever discuss this
11 lawsuit with anyone other than your legal
12 counsel?

13 A. No.

14 Q. Why not?

15 A. I answered it, that's their job,
16 not my job.

17 Q. Do you have an understanding as to
18 whether or not you are being sued?

19 A. Well, I understand as an officer
20 you can be sued.

21 Q. Are you an officer?

22 A. I mean, not an officer, as a Board
23 member, but that's a generic thing.

24 Q. Dr. Steger, are you being sued in
25 the Oak Hills shareholder litigation?

27

1 A. Frankly, I don't know.

2 Q. Then you wouldn't know what you're
3 being sued for if, in fact, you are being sued?

4 A. Correct.

5 Q. Do you think it is part of your
6 fiduciary duty as a director of Provident to
7 keep informed, yourself, as to the pendency and
8 the status of this litigation?

9 MR. BURKE: Objection. Calls for
10 a legal conclusion. You may answer if you
11 know.

12 A. No, I don't know. But you must
13 remember, at the University we run 80 cases a
14 month. I don't track 80 cases. That's why you
15 have good legal counsel.

16 MR. BRAUTIGAM: Move to strike as
17 nonresponsive.

18 BY MR. BRAUTIGAM:

19 Q. Dr. Steger, can you answer my
20 question?

21 MR. BURKE: Objection. Asked and
22 answered. He just did.

23 Q. Respectfully, Dr. Steger, I don't
24 believe your answer had anything to do with my
25 question.

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1 A. Repeat your question.

2 MR. BRAUTIGAM: Could you read it
3 back, please?

4 (Record read by Reporter.)

5 A. Well, the management does keep us
6 informed.

7 Q. How does the management keep you
8 informed?

9 A. By saying it exists, and then
10 they're hiring legal counsel, and then we'll go
11 through the process.

12 Q. And what process are you referring
13 to?

14 A. Deposition.

15 Q. Are you informed periodically
16 about major events in the case?

17 A. Well, maybe when we have the next
18 Board meeting we will, but no.

19 Q. Okay. Prior -- well, up to
20 today's date, January 16th, 2002, it's your
21 testimony that you never discussed the Oak
22 Hills shareholder litigation at a Board meeting
23 or otherwise, except perhaps with your counsel;
24 is that correct?

25 MR. BURKE: I will instruct you

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1 not to answer as to any discussions you had
2 with Mark Magee or counsel. As to discussions
3 with other people you can answer as to that,
4 but what you discussed with counsel is not
5 permissible.

6 A. Okay. Only being informed about
7 it originally by the officers at a meeting.
8 Not the suit, being informed about the
9 purchase.

10 Q. So you were never informed by any
11 Provident officers about the lawsuit, correct?

12 A. I'd say in general that's correct.

13 Q. Okay. Dr. Steger, during 1999,
14 did you maintain a Provident file of material
15 related to Provident at your home?

16 A. No.

17 Q. Did you maintain a file at your
18 University office?

19 A. No.

20 Q. Did you receive material relating
21 to Provident in 1999?

22 A. What kind of material relevant to
23 Provident?

24 Q. Board packets.

25 A. No, we don't -- the Board packets

31

1 be a typical Board packet?

2 A. Oh, about that thick (indicating.)

3 Q. Approximately four inches?

4 A. Yeah, something like that.

5 Q. And you would arrive at these
6 meetings early to go through these materials,
7 correct?

8 A. Um-hmm.

9 Q. And in 1999, approximately how
10 early did you arrive to review these materials?

11 A. Well, before the meeting I try to
12 get there at least 45 minutes to an hour and
13 walk through them.

14 Q. And with respect to these Board
15 packets, in 1999 did you read every word and
16 look at every number?

17 A. No.

18 Q. Why not?

19 A. Because a lot of it is -- is pro
20 forma, things like number of officers, the new
21 titles. I really don't -- I think it's a nice
22 thing that they're all getting promoted, but I
23 don't go down through the list and read
24 everybody's name and what they're doing.

25 Q. Did you ever make notes at a

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1 are kept there and when you get to the Board
2 meeting, you go through them. They don't mail
3 them to you.

4 Q. Okay. So --

5 A. I don't have a file, to answer
6 your question.

7 Q. Okay. Dr. Steger, were you able
8 to review Provident Board material in advance
9 of the meetings?

10 A. Well, yes, because I get there
11 early.

12 Q. And have you ever taken Provident
13 Board material home with you?

14 A. No.

15 Q. Why is that?

16 A. Why is it? Security. I don't
17 want it in my house. I'm a public official.

18 Q. Is that true for the other
19 directors as well?

20 A. I -- you'd have to ask them.

21 Q. So it's your testimony that you
22 maintained absolutely no materials related to
23 Provident in 1999 or otherwise?

24 A. Absolutely true.

25 Q. Approximately how voluminous would

32

1 Provident Board meeting in 1999?

2 A. No.

3 Q. Did you ever make notes at a
4 Provident Board meeting?

5 A. Rarely.

6 Q. When is the last time you can
7 remember making notes at a Provident Board
8 meeting?

9 A. The last meeting.

10 Q. And did these notes have anything
11 to do with respect to the Oak Hills litigation?

12 A. No, it was the date for the next
13 Board meeting.

14 Q. Okay. Dr. Steger, I understand
15 that you've been president of UC since 1984; is
16 that correct?

17 A. Correct.

18 Q. And you make approximately
19 \$265,000 a year in salary?

20 A. Correct.

21 Q. And you get another 70,000 per
22 year as a retirement contribution?

23 MR. BURKE: Objection to
24 relevance.

25 Q. Is that correct?

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1 A. Yeah, that's correct. That's
2 public knowledge.

3 Q. Right. And you have housing
4 allowances and other benefits; is that correct?

5 A. No, we don't have housing
6 allowances.

7 Q. You do have other benefits?

8 A. Well, other than retirement and
9 Medicaid -- Medicare, we don't have any -- I
10 mean medical, we don't have anything.

11 Q. And Dr. Steger, I understand that
12 you're a Ph.D.; is that correct?

13 A. Correct.

14 Q. And what is your field,
15 engineering?

16 A. Psychophysics.

17 Q. And what did you do your thesis
18 in?

19 A. The assimilation in vision.

20 Q. Dr. Steger, can you just go
21 through very briefly your educational
22 background since high school?

23 A. Gettysburg College, Bachelor's
24 degree. And I went on to Kansas State
25 University, got a Master's degree and a Ph.D.

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1 notice, you still have to turn it hard. I
2 mean, it's not, it's not perfect. We could
3 give you a perfect power steering, there would
4 be no feedback at all and you'd crash, because
5 human beings judge the harder it is to turn,
6 then that means, you know, that it's doing
7 something. But we could make perfect power
8 steering and you'd crash.

9 Well, somebody has to design the
10 dampening on that that signals to you you're
11 turning too hard and it's a very sophisticated
12 thing. And for Grumman, for example, I have
13 designed the dampening on the limb controls
14 that landed on the moon. Even electronically
15 -- it was all electronic but we had to give
16 them a spring so that when they pulled and
17 pulled, they were getting towards the end.

18 Q. To protect them from themselves,
19 in other words?

20 A. Yeah. And you mathematically
21 model that amount of dampening.

22 Q. And when you were at Martin
23 Marietta, you worked as an engineer, correct?

24 A. Well, I was not an engineer, but I
25 worked in engineering.

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1 in psychophysics.

2 Q. And since you graduated from
3 college, what have your employment positions
4 been?

5 A. Well, let's see. I worked for
6 Martin Marietta. I worked for Grumman, I
7 worked for Provident -- I mean Prudential. And
8 then I went to SUNY Albany. And then I went to
9 Rensselaer Polytechnic, and then I went to work
10 for Consult Industries, and then I came to
11 Cincinnati. Sounds like a gypsy or something,
12 but --

13 Q. Dr. Steger, you went through that
14 very quickly. Let me see if I can back up a
15 little bit, I may have missed a couple. With
16 respect to Martin Marietta, what did you do?

17 A. Psychophysics.

18 Q. And can you describe as you would
19 to a layman what that field is?

20 A. Yeah. It's the mathematical
21 modeling of human sensory processing.

22 Q. Could you give me an example of
23 the field of psychophysics?

24 A. Well, for example, when you have a
25 steering wheel with power steering, if you

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1 Q. And then you left and went to
2 Grumman, approximately when was that?

3 A. Oh, sometime, let's see, '63 or
4 four.

5 Q. And what did you do with Grumman?

6 A. Grumman I worked on the limb
7 vehicle, landed on the moon.

8 Q. Right. And approximately how long
9 were you there?

10 A. Oh, only about maybe eight, ten
11 months.

12 Q. And your next job was with
13 Prudential?

14 A. Yeah, actually it was with
15 Prudential.

16 Q. And we're talking mid-sixties at
17 this point?

18 A. '64 or five.

19 Q. And what did you do with
20 Prudential?

21 A. Put in the first IBM 360s and
22 redesigned their whole systems for handling
23 databases.

24 Q. So it's what today we would call
25 computer consulting?

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1 A. Well, no, I was actually hired by
2 them, I wasn't a consultant. What they did was
3 -- computing was real new to almost anybody
4 that wasn't in science. And everybody that was
5 an engineer or scientist knew how to write
6 Fortran. And they couldn't go out -- and there
7 was no such thing as a degree in computer
8 science, so they wanted scientists and
9 engineers to come into the businesses because
10 we could write Fortran. We could write the
11 software.

12 Q. And that software had to do with
13 punch cards and stuff in those days?

14 A. Yeah, in those days. And we, for
15 example, it was at the time Prudential was
16 setting up the different field offices, the one
17 in Boston, one in Jacksonville, one in LA, and
18 that was the first time they were ever tied
19 together with computers so the data could be
20 shared for the first time throughout the
21 company very fast. Well, as far as the old
22 360s would do.

23 Q. And Dr. Steger, after you left
24 Prudential, where did you go?

25 A. I went to SUNY Albany.

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1 modeling. And then the other side was to do
2 research, which we did on, of all things, early
3 identification of management talent. How's
4 that for a switch.

5 Q. And that was a very quantitative
6 approach?

7 A. No, actually it went back to work
8 histories and went back to personal
9 characteristics, all kinds of things. But we
10 were trying to build them a model from it, what
11 would be the various characteristics and the
12 weights that we would put on these to choose 18
13 and 19 years old that would be the management
14 ten years out in a company.

15 Q. Is this a form of psychological
16 profiling for the benefit of companies?

17 A. No, not really. It wasn't
18 psychological as much as it was background,
19 training, that kind of thing, risk taking,
20 courage, you know, things like that. To make a
21 long story short, it worked.

22 Q. Okay. Is that still in use today,
23 Dr. Steger?

24 A. By some people, yeah.

25 Q. Dr. Steger, after you left RPI,

1 Q. As a professor?

2 A. As a professor.

3 Q. And in your field of
4 psychophysics?

5 A. Um-hmm.

6 Q. And how long were you there?

7 A. Five years.

8 Q. And did you start as an assistant
9 professor?

10 A. Yeah.

11 Q. And you rose through to the rank
12 of associate professor?

13 A. I think it was associate, yeah.

14 Q. And did you receive tenure at SUNY
15 Albany?

16 A. Yeah.

17 Q. And what did you do next?

18 A. I went to Rensselaer.

19 Q. RPI?

20 A. RPI. And in the business school.

21 Q. What was your position in the
22 business school?

23 A. I started as a full professor with
24 them and I was essentially to do two things.
25 One, I taught statistics and mathematical

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1 where did you go?

2 A. Well, I stayed there for a while
3 because I became the dean of the business
4 school. And then I left to go to Colt
5 Industries.

6 Q. And you went to Colt as CEO; is
7 that correct?

8 A. No, I was a -- in New York, in the
9 corporate group. And I reported to the chair
10 and the VP for -- well, I don't know what you
11 would call it, planning and huge relations or
12 whatever.

13 Q. Colt Industries makes firearms,
14 correct?

15 A. Colt Industries at the time was a
16 conglomerate that had 60 -- I mean had 39
17 divisions. Firearms was a division. They
18 owned Pratt & Whitney; they owned Fairbanks
19 Morris, they owned Garlock.

20 Q. And approximately when did you
21 join Colt?

22 A. Oh, 70 something because I came
23 out here from Colt.

24 Q. Tell me about your career at Colt
25 very briefly, if you can.

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1 A. Oh, I did two or three things.
2 One, I moved the early identification
3 management talent there, that's one of the
4 things they wanted me to do. And we set up a
5 wonderful program to bring college students in,
6 which you don't need to hear the rest of. Then
7 the other, I was partly the ears and eyes of
8 the Chairman of the Board, so I would visit
9 divisions and keep my eye on things and so
10 forth.

11 The Chairman of the Board of Colt,
12 by the way, happened to be the Chairman of the
13 Board of Rensselaer Polytechnic and that's how
14 I got there, because he said I'll pay you a lot
15 of money if you want to come, to make a long
16 story short, so I traveled a lot and kept an
17 eye on various things in the corporation, did
18 some planning, told them maybe we should get
19 out of this business and stay in that one.

20 Q. Now, Dr. Steger, when you left
21 Colt, what was your position?

22 A. I had responsibility for all of
23 human resources and planning around the early
24 identification program.

25 Q. And what was your title?

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1 Q. Dr. Steger, do you consider this
2 deposition important?

3 A. Any deposition is important.

4 Q. What did you do, if anything, to
5 prepare for this one?

6 A. Met with counsel.

7 Q. Approximately how long did that
8 meeting take?

9 A. An hour and a half.

10 Q. How many times did you meet with
11 counsel?

12 A. Once.

13 Q. Did you look at documents?

14 A. Some.

15 Q. What documents did you look at?

16 A. I don't have a clue. I'd have to
17 go back through.

18 Q. Did the documents you looked at in
19 any way refresh your recollection as to the
20 events with respect to the Provident-Oak Hills
21 merger?

22 A. Yes.

23 Q. Which documents refreshed your
24 recollection?

25 A. Well, again, I'd have to see the

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1 A. Director of -- what was it,
2 director of something or other. Director of
3 Human Relations or something.

4 Q. Were you on the board of directors
5 of Colt?

6 A. No.

7 Q. Was Colt a public company?

8 A. Yeah.

9 Q. Dr. Steger, how were you lured to
10 Cincinnati?

11 A. Well, a friend of mine called me
12 and said that the president was 70 years old,
13 and it's a good chance, to take a shot at it.
14 But the reason was that the provost job was
15 open, so if you came out, you'd have two years
16 before he was retiring. So I came -- on my way
17 -- I also worked in New York City. And I said,
18 do you want to take a chance. If we go out and
19 the two years doesn't work, we'll go somewhere
20 else. So we went out and I got the presidency,
21 so that answered our question.

22 Q. Okay. And that was in the early
23 eighties and you've been here ever since,
24 correct?

25 A. Right.

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1 documents.

2 Q. Okay. Well, I'll show you some in
3 a few minutes.

4 A. Okay.

5 Q. And maybe that will help. Dr.
6 Steger, are you on the board of any other
7 public companies?

8 A. Yes.

9 Q. Which ones?

10 A. Milacron.

11 Q. Anything else?

12 A. I'm trying to think. Most of what
13 I'm on are nonprofits. You don't want
14 nonprofits, I take it.

15 Q. I do, but later. With respect to
16 public companies?

17 A. Public. That's it, I guess.

18 Q. Okay. With respect to the
19 Provident Board, what if any committees do you
20 serve on?

21 A. I serve on audit.

22 Q. Okay. With respect to the
23 Milacron Board, what if any committees do you
24 serve on?

25 A. I serve on the -- I'm trying to

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1 think of the name, I think it was a different
2 name. The nominating committee for the Board.
3 And I serve on the -- I guess you'd call it
4 administrative committee, which is really
5 benefits and, you know, that kind of thing.

6 Q. Okay. Dr. Steger, did you serve
7 on any other boards prior to today, other than
8 the ones you've mentioned?

9 MR. BURKE: Other than nonprofits.

10 Q. Other than nonprofits?

11 A. Yeah, we have. I'm on the Board
12 of Crucible Steel, which is privately held.

13 Q. Okay. Have you been on the boards
14 of any other public companies, but you're not
15 on the public company's now -- you're not on
16 the Board?

17 A. No.

18 Q. Okay. Who owns --

19 A. Wait a minute, I have to correct,
20 I don't want to mislead you. I was on the
21 Board of PNC before it became -- what was it
22 called?

23 MS. LUGBILL: Central Trust.

24 A. Yeah, Central Trust. I was on the
25 Central Trust Board, but once PNC took over I

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1 Pittsburgh. So I said, you know, nothing
2 wrong, I think they run a fine bank, I just
3 don't want to have the -- to be on a Board that
4 essentially has nothing to do, because it's
5 going to be run out of Pittsburgh.

6 Q. Dr. Steger, who owns Crucible
7 Steel?

8 A. Who owns it?

9 Q. Yes.

10 A. The management.

11 Q. Could you list a couple of
12 individuals?

13 A. Oh, these were all former Colt
14 employees that bought out Crucible Steel. It
15 was a division of Colt at one time. And they
16 used their pensions to buy it out. And so it's
17 privately held.

18 Q. Okay. Could you just give me a
19 couple of names?

20 A. John Vincell is the CEO.

21 Q. And anyone else?

22 A. David Yates is VP for sales.

23 Q. Okay. Dr. Steger, how did you
24 come to be on the Central Trust Board?

25 A. Originally?

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1 got out of that, I didn't like it.

2 Q. Okay. Did you resign?

3 A. Yeah.

4 Q. And that was based on a
5 philosophical difference?

6 A. Yeah.

7 Q. And when you resigned did you
8 submit a letter of resignation?

9 A. Um-hmm.

10 Q. Did PNC release this information
11 to the investing public?

12 A. I don't think so, no. I never
13 remember it being released.

14 Q. When was this?

15 A. Oh, gees, let's see, eighties.

16 Q. What were the philosophical
17 differences you had with PNC?

18 MR. BURKE: Objection to
19 relevance. You may answer.

20 A. It wasn't philosophical
21 differences, it was that -- that it was a fine
22 small bank, liked it, and enjoyed the officers
23 and the way they were returning it. And then
24 when a very large bank came in from Pittsburgh,
25 that's not my style, I don't want to deal with

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1 Q. Yes.

2 A. God, what's his name? I'm getting
3 old -- asked me. The CEO at the time asked me.
4 I can see him, but I can't tell you his name
5 right now. Darn it, what's his name?

6 MS. LUGBILL: Mr. Rippe.

7 A. No, Rippe wasn't ever the CEO, I
8 don't think. The Chairman of the Board. Darn
9 it, I can see him and I can't think of his last
10 name.

11 Q. Well, in any event you were asked
12 by the CEO to join the Board?

13 A. Yeah.

14 Q. And approximately how long did you
15 serve?

16 A. Oh, probably was three, four
17 years.

18 Q. And how did you come to be on the
19 Provident Board?

20 A. How did I come to be on the
21 Provident Board? Actually they asked me to
22 serve on there. And I had -- I wasn't on any
23 bank board at the time, I had long -- that was
24 long after.

25 Q. All right. Who asked you to join

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1 the Provident Board?

2 A. Allen.

3 Q. Allen who?

4 A. Allen Davis.

5 Q. Davis, okay. And when was this?

6 A. Oh, gee, I don't know. I'd have
7 to look it up.

8 Q. Early nineties?

9 A. Yeah, somewhere around there.

10 Q. And how did you come to be on the
11 Milacron Board?

12 A. How did I?

13 Q. Yes.

14 A. Jim Geiner and I are close
15 friends, or were very close friends.

16 Q. Would it be fair to say that being
17 president of UC is a full-time job?

18 A. Oh, yeah. Any job is a full-time
19 job.

20 Q. Okay. During 1999, how much time
21 did you devote to your activities on the
22 Provident Board?

23 A. How much time? Oh, I don't know,
24 I'd say two to three days a month, or something
25 like that.

1 nonprofits? Well, for boards, that's probably
2 about it.

3 Q. Okay. Dr. Steger, could you spell
4 Tech Solve?

5 A. Tech, T E C H, solve, S O L V E,
6 two words.

7 Q. And what kind of a nonprofit is
8 that?

9 A. It's a technical nonprofit
10 underwritten by the state that's right out on
11 Paddock Road.

12 Q. And how much time do you devote to
13 Tech Solve?

14 A. Not very much. I go to their
15 Board meetings, but it's run very well by Gary.
16 And I would say, I don't know, maybe six hours
17 a month.

18 Q. Okay. And was that true in 1999
19 as well?

20 A. No. I was a little bit more
21 involved because I was Chairman of the Board.

22 Q. Okay. In 1999, approximately how
23 much time did you devote to Tech Solve?

24 A. I thought you said nineties, no,
25 '99 I wasn't the chair anymore.

1 Q. Okay. And those are full days?

2 A. Well, I'm, I'm collapsing that.

3 Over the month it may be that I went to the
4 meeting and I spent my hour reading, and then
5 we had the two or three hour meeting, and then
6 there might be other things that we did or
7 committees, and then -- the audit committee and
8 so forth. I'm just saying roughly over the
9 month, two or three days' worth of work.

10 Q. And are you talking about full
11 eight hour days?

12 A. Yeah.

13 Q. Okay. Approximately how much time
14 did you devote to Milacron during 1999?

15 A. Well, Milacron doesn't meet as
16 frequently. I would probably say a day a
17 month.

18 Q. Okay. And let's talk about the
19 nonprofit boards that you're on now. Can you
20 list all of the nonprofit boards, please?

21 A. Oh, brother. Tech Solve, Drake
22 Hospital, UC Physicians, let's see, what else
23 am I on that's nonprofit? Oh, the Ohio
24 Computer Center, which is a state computer
25 center. Let's see, what are the other

1 Q. Okay. So it was about six hours a
2 month?

3 A. Yeah.

4 Q. How about with respect to Drake
5 Hospital, in 1999, approximately how much time
6 did you spend devoted to Drake Hospital?

7 A. Oh, I'd say eight to ten hours a
8 month.

9 Q. Okay. How about with respect to
10 UC Physicians?

11 A. That's very short. I'd say no
12 more than four hours a month.

13 Q. And how about Ohio Computer?

14 A. If I did it by month, it probably
15 would be about an hour a month because it only
16 meets twice a year.

17 Q. Okay. Dr. Steger, how would you
18 describe your job as a university president?
19 For example, I've heard that a university
20 president is first and foremost a fund raiser.
21 How would you describe it?

22 A. No, it's not first and foremost a
23 fund raiser, not -- that's a myth. It's a very
24 complex management job that is -- as any CEO
25 would have. You have different audiences, you

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1 have different sources of income, you have all
2 kinds of different jobs. You have to meet the
3 public and you have to meet the donors, just
4 like you said, but you also have to deal with
5 all the contingencies, so it's just a normal
6 CEO's job. I don't see it very much different
7 from watching Colt executives, except it's
8 public and public is a killing.

9 Q. It requires more schmoozing than
10 being a CEO of a public company, correct?

11 MR. BURKE: Objection to form.

12 A. I wouldn't say that, no, because
13 the schmoozing that the executives do in a
14 private company is with the federal government
15 and the federal politicians and so forth. And
16 my audience happens to be Columbus and
17 elsewhere, so --

18 Q. Dr. Steger, do any PFGI Board
19 members have any significant relationships with
20 UC?

21 A. That's a good question.

22 Q. Thank you.

23 A. You know, not really. I'm trying
24 to think of -- I mean, literally committing
25 their time and money, I don't think so, no.

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1 of making sure that we reach that audience and
2 serve them well. There is the finance
3 committee. I think that's it.

4 Q. Nominating?

5 A. No, there's no nominating
6 committee.

7 Q. Compensation?

8 A. Well, actually I have a feeling
9 the -- there's a personnel committee, I think.
10 That compensation rings a bell, but it may be
11 done by finance, I'm not sure.

12 Q. Any others that you can think of?

13 A. No.

14 Q. Have you always served on the
15 audit committee?

16 A. No, actually I didn't serve on any
17 committees at first. And then I got on the
18 audit committee.

19 Q. How long have you been on the
20 audit committee?

21 A. Three, four years.

22 Q. Is the audit committee the most
23 important committee within Provident?

24 A. I won't answer that question
25 because I'm biased, I'm on it.

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1 Q. Dr. Steger, how are you paid by
2 Provident?

3 A. How am I paid?

4 Q. Yes.

5 A. You're paid by Board meeting.

6 Q. Is it so much per Board meeting?

7 A. Yeah.

8 Q. A few thousand?

9 A. And committee meetings.

10 Q. Right, how much per Board meeting?

11 A. You know, I don't know.

12 Q. How much per committee meeting?

13 A. You know, I don't know. I'll tell
14 you why. Because I take half of it and defer
15 it, so I'd have to -- you'd have to ask them.

16 Q. It's in the order of several
17 thousand dollars per Board meeting though,
18 correct?

19 MR. BURKE: Objection, asked and
20 answered. You may answer.

21 A. I don't know.

22 Q. Okay. Aside from the audit
23 committee, what committees does PFGI have?

24 A. Let's see, there is audit, there
25 is a kind of a minority committee in the sense

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1 Q. Well, isn't there an SEC
2 requirement that the audit committee consist
3 entirely of outside directors?

4 MR. BURKE: Objection.

5 A. Don't know.

6 Q. Are you familiar with the term
7 outside directors?

8 A. Nonofficers? Is that what you
9 mean?

10 Q. Yes.

11 A. Um-hmm.

12 Q. Okay. Are you familiar with the
13 term inside directors, sometimes referred to as
14 management directors?

15 A. Isn't that what I just said,
16 officers? Officers are inside, and outside
17 directors aren't officers.

18 Q. Right. But not every officer is a
19 director.

20 A. No.

21 Q. Okay. Does Provident have a
22 mandatory retirement age for Board members?

23 A. Yes, 70.

24 Q. Okay. Do you think that's a good
25 idea?

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1 A. I never thought about it. I
2 should have, I'm getting near there.

3 Q. Do you have an opinion of the OHSL
4 Board as it was constituted in 1999?

5 A. Is that the bank board?

6 Q. Yes.

7 MR. BURKE: No, OHSL.

8 Q. It's the public company Board.

9 A. No.

10 Q. Why not?

11 A. Never bothered me, I'd have to be
12 bothered by it before I can concern myself.

13 Q. Well, you were buying their bank,
14 correct?

15 A. Yes, we were buying their bank.

16 Q. And didn't you want to know who
17 was running their bank?

18 A. No, because, you know, when you
19 buy a bank, you buy a bank. I don't care who's
20 running it, I just hope it's good.

21 Q. How do you make that determination
22 that it's good?

23 A. The management makes that
24 determination.

25 Q. What role, if any, did the

1 Provident Board have with respect to the
2 purchase of OHSL in 1999?

3 A. What role did we have? We
4 reviewed it, we were presented the case for
5 acquiring it, and then said that's a good idea.

6 Q. What was the case for acquiring
7 OHSL, as you remember it?

8 A. As I remember it, it's
9 profitability and the -- and the -- also its
10 customers. That's the two major things you
11 get.

12 Q. How did you assess OHSL's
13 profitability?

14 A. I didn't.

15 Q. How did you review the work of
16 whoever assessed OHSL's profitability?

17 A. Well, as I said, we got a Board
18 presentation, but I didn't memorize it.

19 Q. Who made that presentation?

20 A. You know, I've got to think about
21 who made that presentation. It wasn't the CEO,
22 it was one of the financial officers, but I
23 can't remember who did that.

24 Q. Was it Chris Carey, perhaps?

25 A. I don't -- was Chris there when we

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1 did that? Chris is fairly new. I don't
2 remember.

3 Q. How did you assess OHSL's
4 customers?

5 A. I didn't. Again, they just said
6 they had a good customer base.

7 Q. Would it be fair to say that OHSL
8 and Provident were very different types of
9 institutions?

10 A. I don't know. I can't answer that
11 question.

12 Q. Are you familiar with the term
13 community bank?

14 A. Not really, no.

15 Q. How would you describe what
16 Provident Bank is?

17 MR. BURKE: Objection to form.

18 A. It's a financial institution.

19 Q. Well, in terms of size. It's not
20 a community bank, is it?

21 A. Well, I don't know because what's
22 a community bank?

23 Q. Okay. Would you describe
24 Provident as an international bank?

25 A. No, probably regional.

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1 Q. Okay. Or perhaps a super regional
2 bank?

3 A. I don't know. I don't know what
4 super means.

5 Q. Did the Provident Board ever
6 consider the possibility that OHSL's customers
7 would want to stay with a smaller bank and not
8 move their deposit accounts and other accounts
9 to Provident?

10 MR. BURKE: Objection. Calls for
11 speculation.

12 A. No.

13 MR. BURKE: Assumes facts not in
14 evidence. You may answer.

15 Q. Why not?

16 A. Why didn't we?

17 Q. Yes.

18 A. Well, we don't go around asking
19 customers that question when we're looking at
20 acquiring a financial institution. You acquire
21 it because it looks like it has a sound base
22 and that. And you don't say to customers,
23 would you like to keep moving your money.

24 Q. Well, by acquiring the customers,
25 you want to retain the customers, correct?

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1 A. Correct.

2 Q. Did you ever learn in 1999 that
3 after the announcement of the merger, that OHSL
4 depositors were moving their accounts out of
5 OHSL in wholesale levels?

6 MR. BURKE: Objection.

7 Mischaracterizes the record. You may answer.

8 A. No, we never learned that.

9 Q. That was never discussed at the
10 Board?

11 A. Hmm-um.

12 Q. Okay. Does that concern you in
13 any way?

14 A. No. Change is change.

15 Q. Are you familiar with Provident's
16 advisory board that existed, I believe, at
17 least from late 1999 to late 2001?

18 MR. BURKE: Advisory board?

19 Q. Yes.

20 A. What's an advisory board?

21 Q. You don't know what Provident's
22 advisory board is?

23 A. No.

24 MR. BRAUTIGAM: Okay. Let's take
25 a short break. We've been going for about an

1 hour.

(Brief recess.)

3 BY MR. BRAUTIGAM:

4 Q. Dr. Steger, I have placed two
5 deposition exhibits in front of you, the one on
6 your right is Defendant's Exhibit 1. The one
7 on your left is Plaintiff's Exhibit 9.
8 Directing your attention to Defendant's Exhibit
9 1, have you seen that document before? And
10 again, Dr. Steger, please take as much time as
11 you need to familiarize yourself with the
12 document.

13 A. I don't think so.

14 Q. Okay. Why not?

15 MR. BURKE: Why doesn't he think
16 so?

17 Q. No.

18 A. I don't have a clue.

19 Q. Okay. Did you sign a registration
20 statement with respect to the Provident-OHSL
21 merger?

22 A. What's a registration statement?

23 Q. Do you remember signing anything
24 with respect to the Provident-OHSL merger?

25 A. That's a good question. Not that

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1 I can remember.

2 Q. Okay. Dr. Steger, are you
3 familiar with the concept of pooling of
4 interest accounting?

5 A. The -- say that again.

6 Q. Are you familiar with the concept
7 of pooling of interest accounting?

8 A. Is that when -- that's the one we
9 got out of and changed from at the bank?

10 Q. Dr. Steger, are you asking me or
11 telling me?

12 A. I'm asking you.

13 Q. Well, I'm afraid that's not how
14 the process works.

15 A. Oh.

16 Q. Are you familiar with the concept
17 of purchasing accounting?

18 A. Well, the -- is a gain on sale?
19 Is that what you're talking about?

20 Q. Dr. Steger, are you familiar with
21 the concept of securitizations?

22 A. Yes.

23 Q. What are securitizations?

24 A. Well, we bundle together say a
25 package of loans and sell them.

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1 Q. Why would an entity do that?

2 A. Make money.

3 Q. Is there a certain amount of risk
4 involved with respect to securitizations?

5 A. There's always a risk whenever you
6 do anything with money.

7 Q. Is it important to disclose risks
8 to the investing public?

9 A. Sure.

10 Q. Okay. Why is that important?

11 A. Because then they know what risk
12 they're taking.

13 Q. Dr. Steger, were proxy materials
14 assembled with respect to the OHSL-Provident
15 merger?

16 A. Were they assembled? I don't
17 know.

18 Q. What role did Provident directors,
19 if any, play in assembling the final document,
20 the final proxy materials used for this merger?

21 A. My recollection is we didn't
22 pay -- play any role in assembling the
23 materials.

24 Q. Did you personally play any role
25 in reviewing the materials that were assembled?

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1 A. No.
 2 Q. Why not?
 3 A. Because we were briefed, remember?
 4 I said we were briefed by the management on the
 5 purchase.
 6 Q. What is the purpose of proxy
 7 materials?
 8 A. To inform the stockholders.
 9 Q. Of what?
 10 A. Of a purchase or whatever you're
 11 doing.
 12 Q. Are you familiar with the term
 13 material information?
 14 A. No.
 15 Q. Have you ever heard that term at
 16 audit committee meetings, let's say?
 17 A. Not material information, no.
 18 Q. Have you ever heard the term
 19 material?
 20 A. I don't think so.
 21 Q. Dr. Steger, do you believe that
 22 it's important that the proxy materials be
 23 accurate and complete?
 24 A. Absolutely.
 25 Q. Why?

1 A. Because you owe it to the
 2 customer.
 3 Q. And which customer are you talking
 4 about?
 5 A. The shareholders.
 6 Q. Dr. Steger, what, if anything, did
 7 you personally do to ensure that the proxy
 8 materials used in this merger were full and
 9 complete?
 10 A. I didn't do anything.
 11 Q. And if I asked you why not, you'd
 12 say because management did everything; is that
 13 correct?
 14 A. Yeah.
 15 Q. Okay. So it's fair to say that
 16 you personally didn't devote any time to making
 17 sure the proxy material and registration
 18 statement was accurate?
 19 A. That's correct.
 20 Q. Dr. Steger, would it be fair to
 21 say that you're a prominent man in the
 22 community?
 23 A. I'm not going to judge that.
 24 Q. Do you think you're a fair man?
 25 A. Very.

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1 Q. As a director involved in a
 2 transaction of this sort, is one of the things
 3 you're saying, hey, I'm Dr. Joe Steger, I'm the
 4 president of UC and a Board member, and I
 5 support this transaction?
 6 MR. BURKE: Objection.
 7 Q. Was that one of the things the
 8 proxy materials are saying?
 9 MR. BURKE: Objection to form.
 10 A. Well, two things. One, it has
 11 nothing to do with me being at the University
 12 and the president. It has to do with my role
 13 as a director. And I could be, you know, own a
 14 small company and be a director. But the point
 15 is that we trust the management. And when they
 16 deliver documents or things that you're talking
 17 about, we look at them, we say that's fine,
 18 good, that looks like a good purchase. But we
 19 don't write the documents, we don't review the
 20 documents because that's not our role.
 21 Q. What is your role?
 22 A. Our role is oversight.
 23 Q. Dr. Steger, do you believe that
 24 you are personally responsible for any material
 25 misstatements or material omissions in the

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 1 proxy materials used in the OHSL-Provident
 2 merger?
 3 MR. BURKE: Objection. Calls for
 4 a legal conclusion. You may answer.
 5 A. Number one, how would I know
 6 they're overstatements or misstatements.
 7 Q. Is there a number two, Dr. Steger?
 8 A. No.
 9 Q. Do you have any understanding on
 10 the role of KMK, the law firm of Keating,
 11 Muething & Klekamp, in writing the proxy
 12 materials used in the OHSL-Provident merger?
 13 A. No.
 14 Q. You don't know who the lawyers
 15 were who were involved in the transaction --
 16 A. No.
 17 Q. -- correct? Okay. You didn't
 18 have any interaction with these lawyers?
 19 A. No. Up until now.
 20 Q. During 1999, did you have a clear
 21 understanding of what the KMK firm was doing on
 22 behalf of Provident?
 23 A. Doing in terms of what?
 24 Q. Working on the merger transaction.
 25 MR. BURKE: Objection. Asked and

1 answered.
 2 A. No.
 3 Q. Do you think it's in general,
 4 generally speaking, a good idea for the client,
 5 meaning Provident, to have a clear
 6 understanding of what its attorneys, meaning
 7 KMK, are doing?
 8 A. Sure. I would assume we do.
 9 Q. Why would you assume that?
 10 A. Because we had very good legal
 11 counsel.
 12 Q. No, my question went to the
 13 Board's understanding of what the self
 14 described, very good legal counsel is doing.
 15 MR. BURKE: I just note that's a
 16 different question. You asked about Provident,
 17 not the Board.
 18 Q. Okay.
 19 A. You asked -- right.
 20 Q. Okay. Different question.
 21 A. Well, the Board wouldn't be
 22 involved at that level.
 23 Q. Do you have any understanding of
 24 the role of Dinsmore & Shohl with respect to
 25 this merger transaction between Provident and

1 OHSL?
 2 A. No.
 3 Q. Dr. Steger, are you familiar at
 4 all with the federal securities laws?
 5 A. Well, I wouldn't say I was very
 6 familiar, but I -- we do get good counsel by
 7 outside auditors and so forth.
 8 Q. And what are the outside auditors
 9 telling you with respect to the federal
 10 securities laws
 11 A. Well, REGO and things like that.
 12 Q. Have you had any Board meetings
 13 since the Enron scandal hit the newspapers?
 14 A. No.
 15 MR. BURKE: Objection to
 16 relevance.
 17 Q. Are you familiar with what's known
 18 as the 1933 Act?
 19 A. No.
 20 Q. Are you familiar with what's known
 21 as the 1934 Act?
 22 A. No.
 23 Q. Are you generally familiar with
 24 the concept of full and fair disclosure?
 25 A. In general.

1 Q. And what do you understand that
 2 concept to mean?
 3 A. Well, as a public official, it
 4 means that you just stick with the facts.
 5 Q. Does it further mean that you
 6 can't omit material things?
 7 A. I don't know.
 8 Q. For example, when you swore to
 9 tell the truth today, you swore to tell the
 10 truth, the whole truth, and nothing but the
 11 truth, correct?
 12 A. Um-hmm.
 13 Q. That's yes, Dr. Steger?
 14 A. Yes.
 15 Q. And the second part of that, the
 16 whole truth, that's roughly equivalent to the
 17 federal securities laws calling for full and
 18 fair disclosure. Is that correct?
 19 MR. BURKE: Objection to form.
 20 A. I have no idea. I'm not going to
 21 guess at something.
 22 Q. Okay. Dr. Steger, let's take a
 23 look at what has been marked as Plaintiff's
 24 Exhibit 1 previously.
 25 A. There is nothing marked.

1 Q. It was marked in a different
 2 deposition. You can take my word for it --
 3 A. Oh.
 4 Q. -- that that's Plaintiff's Exhibit
 5 1. If I can direct your attention to the two
 6 columns on the right. If you could read that
 7 to yourself, Dr. Steger.
 8 A. Okay.
 9 Q. For the record, Dr. Steger,
 10 Plaintiff's Exhibit 1 is an article from August
 11 2000 from the Cincinnati Business Courier.
 12 Have you seen this document before today?
 13 A. No.
 14 Q. Dr. Steger, what is your
 15 understanding of the word unanimous?
 16 A. Well, it's whoever present at a
 17 quorum, they all voted the same way.
 18 Q. How did Provident's Board work
 19 with respect to unanimous votes? Can you
 20 describe that process?
 21 A. Yeah. Everybody votes yes, or
 22 everybody votes no.
 23 Q. And would that include the
 24 Chairman of the Board?
 25 A. Chairman of the Board doesn't

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1 vote.

2 Q. At Provident?

3 A. Well, he does -- see, the outside
4 officers vote. And by the outside, I mean the
5 outside members vote.

6 Q. Okay.

7 A. You know Robert's Rules of Order,
8 and you define the quorum, and the quorum is
9 who votes. And I don't know what this bank had
10 as a quorum. Did they all vote or what?

11 Q. Well, let me ask you with respect
12 to Provident. When something is -- when a
13 motion is made at a Provident Board meeting,
14 it's then seconded, correct?

15 A. Correct.

16 Q. And then a vote is taken, correct?

17 A. Correct.

18 Q. And when that vote is recorded in
19 the minutes as being unanimous --

20 A. Um-hmm.

21 Q. -- that means that each director
22 present voted in favor of the -- whatever we're
23 talking about, correct?

24 A. Correct.

25 Q. Okay. And that would include the

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1 see that? It's the third paragraph from the
2 bottom.

3 A. Yeah.

4 Q. Okay. How do you read unanimously
5 in that sentence?

6 A. They all voted yes.

7 Q. Okay. And when you say "they
8 all," you're referring to the Oak Hills
9 directors, correct?

10 MR. BURKE: Who -- which Oak Hills
11 directors?

12 A. No, no.

13 MR. BURKE: You can answer.

14 A. No, whoever was at the meeting.

15 Q. Okay. Does it say anything about
16 whoever was at the meeting?

17 A. No.

18 Q. Okay.

19 A. If you're absent, your vote can't
20 count.

21 Q. If you're absent, do you think
22 that's something that should be disclosed to
23 the shareholders?

24 A. No.

25 Q. Why not?

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1 Chairman of the Board, correct?

2 A. I don't know that it does. It
3 depends again on the rules, but I would assume
4 he is a voting member.

5 Q. Okay. And you've been on --

6 A. But typically it's just the
7 outside board members that vote.

8 Q. And why is that?

9 A. Why is that? Because that's the
10 way they set it up.

11 Q. How many inside directors does
12 Provident now have?

13 A. You know, I don't know.

14 Q. How many inside directors did it
15 have in 1999?

16 A. That's -- the only inside director
17 is probably the CEO.

18 Q. Dr. Steger, if I could direct your
19 attention to Defendant's Exhibit 1, do you see
20 that in front of you?

21 A. Um-hmm.

22 Q. I am interested in the sentence,
23 "Your Board of Directors unanimously approved
24 the acquisition and believes that it is in the
25 best interest of OHSL stockholders." Do you

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1 A. Because you have a quorum.

2 Q. Well, why don't you say we had a
3 quorum, but the entire Board didn't vote in
4 favor of it, because not everybody was there?

5 MR. BURKE: Objection. Calls for
6 speculation. You may answer.

7 A. It's all so redundant, you don't
8 run around doing that.

9 Q. Just can't be bothered?

10 A. It doesn't make any sense. You
11 have a Board meeting, if one person's missing,
12 everyone votes, that person trusts those
13 people.

14 Q. Is it fair to tell the investing
15 public that the Board voted unanimously if
16 people were absent?

17 A. Absolutely.

18 Q. Why?

19 A. Because those present voted
20 unanimously. That's what Robert's Rules of
21 Order say. People that aren't there can't
22 vote.

23 Q. Okay. Dr. Steger, let me direct
24 your attention to Plaintiff's Exhibit 1, the
25 right-hand column, the first paragraph. There

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1 is a sentence that says "Brautigam alleges."

2 Do you see that?

3 A. Where are you?

4 Q. Very top of the right-hand column
5 there. Right by your finger, "Brautigam
6 alleges."

7 A. Yeah.

8 Q. Okay. Would you just read that to
9 yourself, please?

10 MR. BURKE: I'll object, there's
11 no foundation that this witness has ever seen
12 it, it's a hearsay document. I believe this is
13 inappropriate questioning, but you may go
14 ahead. I object.

15 A. Okay. I read it.

16 Q. Okay. After that sentence it
17 says, "Burke's response," and I'd read it,
18 "Hanauer opposed the Provident takeover because
19 he wanted Oak Hills to remain independent." Do
20 you know who Hanauer is from that previous
21 sentence?

22 A. He's got -- obviously he's got
23 something to do with Oak Hills.

24 Q. You don't know who he is?

25 A. No.

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1 that's what he did. He did his public
2 statement by voting. If he wants to then go do
3 his shares, that's a private statement.

4 Q. Dr. Steger, you said you're a very
5 fair man, correct?

6 A. Right.

7 Q. Let me represent to you that Ken
8 Hanauer ran the special meeting of shareholders
9 for Oak Hills on October 25th, 1999. And the
10 purpose of that meeting was to approve the
11 Provident-Oak Hills merger. Are you with me so
12 far?

13 A. Yes.

14 Q. Okay. And even though Mr. Hanauer
15 ran that meeting for the purpose that I've
16 outlined, he had previously voted his personal
17 shares against the transaction. Do you think
18 that's fair?

19 MR. BURKE: Objection. Assumes
20 facts not in evidence, calls for speculation.

21 A. It's irrelevant. If he voted yes
22 at that meeting, that's the vote.

23 Q. Which meeting are you referring
24 to?

25 A. This one where he says he had

1 Q. Okay. Can you accept my
2 representation that he was the CEO and a Board
3 member of OHSL in 1999?

4 A. Oh, I assume you don't lie.

5 Q. Okay. Dr. Steger, do you believe
6 that this is information that should be shared
7 with the shareholders, meaning the position of
8 the CEO and the only director who is a member
9 of management?

10 MR. BURKE: Objection. Assumes
11 facts not in evidence. This calls for complete
12 speculation on the part of this witness.

13 A. No, because he voted in favor.
14 That's it.

15 Q. What do you mean by "that's it"?

16 A. The vote was unanimous and he was
17 one of the votes. I don't care what he
18 speculates about afterward.

19 Q. Do you think if the CEO of a
20 corporation voted his shares in a different way
21 from the way he voted as a director, that that
22 would be material information?

23 A. No.

24 Q. Why not?

25 A. Because the vote is the vote. And

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1 voted in favor of the transaction.

2 Q. Okay. Let's take a look at that
3 sentence in Defendant's Exhibit 1 again. "Your
4 Board of Directors unanimously approved the
5 acquisition."

6 A. They did.

7 Q. Okay. The second part of that
8 sentence continues, "and believe that it is in
9 the best interest of OHSL stockholders." Did I
10 read that correctly?

11 A. Correct.

12 Q. Does unanimous also -- I'm sorry,
13 unanimously also modify the second part of that
14 sentence?

15 MR. BURKE: Objection. Calls for
16 speculation.

17 A. No. They're both unanimous.

18 Q. When you say both, what are you
19 referring to?

20 A. I'm saying that the vote was
21 unanimous and, therefore, the people have to
22 understand that the Board was unanimous.

23 Q. What about the belief that the
24 acquisition is in the best interest of OHSL
25 stockholders? Is that also unanimous as it

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1 appears on that page?

2 MR. BURKE: Objection. Document
3 speaks for itself.

4 A. Sure, it says the Board was
5 unanimous in recommending that.

6 Q. Okay. Dr. Steger, let me
7 represent to you that Mr. Hanauer testified
8 that at no time in 1999 did he believe that the
9 OHSL-Provident merger was in the best interest
10 of OHSL shareholders. Do you have a problem
11 with that?

12 A. No.

13 MR. BURKE: Objection. Misstates
14 the --

15 A. He voted --

16 MR. BURKE: Misstates the record.

17 A. Let's make this very simple. He
18 voted yes. Once he did that, I don't care what
19 he said privately. I don't care what he did
20 with his stock, because he said yes, it's a
21 great merger.

22 Q. What if he changes his mind later?

23 A. That's tough.

24 Q. Wouldn't that have to be disclosed
25 to the shareholders?

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1 Q. In Defendant's Exhibit 1?

2 A. Yeah.

3 Q. Dr. Steger, what if I were to
4 represent to you that the Chairman of the Board
5 did not vote with respect to this transaction,
6 would it then be unanimous in your view?

7 A. I'm not going to make that
8 assumption. He's already done it, it is
9 unanimous. Why are you getting away from the
10 facts?

11 Q. Dr. Steger, let me represent to
12 you that Norbert Brinker was the chairman of
13 the OHSL Board in 1999. Are you with me?

14 A. Yeah. I don't know who he is,
15 but --

16 Q. Okay. Dr. Steger, you can see
17 that he signed the document --

18 A. Yeah.

19 Q. -- correct? And beneath his
20 signature it says Chairman of the Board,
21 correct?

22 MR. BURKE: Document speaks for
23 itself and calls for speculation from this
24 witness. You may answer.

25 Q. Okay. Dr. Steger, let me

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1 A. No, it's after the fact.

2 Q. After the fact of what?

3 A. After the vote. He already said
4 his public statement with that vote.

5 Q. When you say "public statement,"
6 what are you referring to?

7 A. I'm referring to the fact that
8 this becomes the record of the meeting, that he
9 said yes to the merger.

10 Q. Let the record reflect that the
11 witness is referring to Plaintiff's Exhibit 1.

12 A. Right.

13 Q. Dr. Steger, this is a newspaper
14 article from August of 2000. And you were
15 pointing at it and said that this becomes the
16 public record. Can you just explain your
17 answer?

18 A. I didn't say the --

19 MR. BURKE: You handed it to him.

20 A. I said the action becomes the
21 public record, not the paper.

22 Q. How would the vote of a director
23 become part of a public record?

24 A. Simply because they already
25 announced in that document it was unanimous.

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1 represent to you that Mr. Brinker simply did
2 not vote with respect to the OHSL-Provident
3 merger, okay? Can you accept that
4 representation?

5 A. Sure.

6 Q. Okay. Do you --

7 A. I assume it's a fact.

8 Q. Okay. Do you then -- do you still
9 believe this sentence, "Your Board of Directors
10 unanimously approved the acquisition and
11 believes that it is in the best interest of
12 OHSL stockholders," to be true?

13 MR. BURKE: Objection. Calls for
14 speculation. You may answer.

15 A. Okay. All of those that voted
16 voted unanimously and it was all yes. If the
17 man doesn't want to vote, he doesn't count.

18 Q. Does it --

19 A. It's that six.

20 Q. Does it say that in the document?

21 A. Well, of course not.

22 Q. Do you think it should say that in
23 the document?

24 A. No.

25 Q. Why not?

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1 A. You don't need it. You had a vote
2 large enough to carry the transaction. If I
3 don't want to vote and I'm there, that's my
4 problem.

5 Q. Don't you think that's something
6 that's potentially of interest to OHSL
7 shareholders?

8 MR. BURKE: Objection. Calls for
9 speculation.

10 A. It's after the fact.

11 Q. After what fact?

12 A. They already voted to sell it.

13 Q. Well, Dr. Steger, let me represent
14 to you that I believe the vote referred to here
15 took place on August 2nd, 1999. That didn't
16 close the deal, did it?

17 MR. BURKE: Objection. Calls for
18 speculation.

19 A. I have no idea if it closed the
20 deal.

21 Q. Well, there were other things that
22 were required before the merger could be
23 effected, correct?

24 A. Yeah, but what's that relevance to
25 their vote?

1 Q. One of the things that was
2 necessary for the merger to be effected was the
3 vote of OHSL shareholders, correct?

4 A. That's what we've just been
5 talking about.

6 Q. And the shareholders had to have
7 some guidance with respect to how to vote,
8 correct?

9 A. They did. They got the guidance
10 right there, they voted unanimously.

11 Q. Okay. And do you believe that the
12 shareholders should rely on that guidance, as
13 you put it, they voted unanimously?

14 MR. BURKE: Objection. Calls for
15 speculation as to what's in the mind of the
16 shareholders. You may answer.

17 A. All I know is that I would assume
18 that when a Board votes unanimously for
19 something, and I'm a shareholder, I'd go with
20 them, but it's a shareholder's decision.

21 Q. And if there was some dissent
22 within the Board, you would want additional
23 information, correct?

24 MR. BURKE: Objection.

25 A. I don't see any dissent.

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1 Q. If the Board was somehow split,
2 you would want to receive that information as a
3 shareholder, correct?

4 MR. BURKE: Objection. Calls for
5 speculation. He's not an OHSL shareholder.

6 A. Back to the vote. The vote was
7 not split. Everybody that voted voted yes. So
8 you're giving me an after the fact split.
9 Well, that's tough.

10 Q. Dr. Steger, assume for purposes of
11 this question that an OHSL director resigned in
12 part in protest three days before this vote was
13 taken. Do you think that that's material
14 information?

15 MR. BURKE: Objection. Calls for
16 speculation, assumes facts not in evidence.

17 A. If he resigned, it's irrelevant.
18 He's gone.

19 Q. Even if he resigned in part in
20 protest?

21 MR. BURKE: Objection.

22 A. Sure.

23 MR. BURKE: Assumes facts not in
24 evidence. You can answer.

25 A. Yeah.

1 Q. Why do you believe that, Dr.
2 Steger?

3 A. Because if he really wanted to
4 have an effect, he would have stayed and voted
5 no.

6 Q. Well, Dr. Steger, you resigned
7 from the PNC Board, correct?

8 A. Correct.

9 Q. And that's because you just didn't
10 want to be there, correct?

11 A. But I wasn't protesting, I just
12 thought I don't like that style of management.
13 It's my opinion and I can quit whenever I want
14 to. I wasn't protesting anything.

15 Q. Okay. Well, Mr. Herron, this is
16 the director we're talking about, testified
17 that he did resign in part in protest.

18 MR. BURKE: Objection.

19 Q. Are you with me?

20 MR. BURKE: Calls for speculation.
21 Assumes facts not in evidence. This witness
22 has no knowledge of any of this stuff, Mike.

23 Q. Dr. Steger, if one of the Oak
24 Hills directors resigned in protest three days
25 before the vote was taken, the vote of the

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1 directors to merge with Provident, is that
2 something that you would be interested in as a
3 Provident director?

4 A. No, because he did a great
5 disservice. He left the Board, and once you
6 leave the Board, that's it. He should have
7 stayed and voted no if he really wanted to make
8 a protest.

9 Q. Why do you say that, Dr. Steger?

10 A. Because that's what you do.
11 That's why we have boards. You don't quit when
12 it gets tough, that you don't like something,
13 you vote against it.

14 Q. So would it be fair to say that
15 you view Mr. Herron's actions in resigning as
16 somehow dishonorable?

17 MR. BURKE: Objection. Calls for
18 speculation.

19 A. Well, I don't know that I'd call
20 it that. I'd call it somewhat cowardly.

21 Q. Cowardly, okay. Let's mark this
22 as Plaintiff's Exhibit 27.

23 (Steger Exhibit Number 27
24 was marked for identification.)

25 A. What are we looking at here?

1 Q. Dr. Steger, I have handed you what
2 the reporter has marked as Plaintiff's
3 Deposition Exhibit 27, which I will represent
4 to you is an August 3rd, 1999 press release
5 from Provident Financial Group, Inc. Have you
6 seen this document before?

7 A. I'm sure I have, yeah. I mean I
8 didn't memorize it, but --

9 Q. Okay. Are you familiar with this
10 document?

11 A. I would say yes.

12 Q. Do you recognize this document?

13 A. Um-hmm.

14 Q. What is Plaintiff's Deposition
15 Exhibit 27?

16 A. You want me to answer yes?

17 Q. If you could answer the question.
18 What is the document?

19 A. Oh, it's essentially the
20 announcement of the acquisition of OHSL.

21 Q. Did you see this document before
22 it went out?

23 A. No.

24 Q. Did you read it on or about August
25 3rd, 1999?

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1 A. I can't remember the -- when, but
2 it certainly would have probably been around
3 then.

4 Q. Okay. Let me direct your
5 attention to the third paragraph. Well, before
6 that, when you read this document, did you
7 understand it?

8 A. Mostly, um-hmm.

9 Q. Are there things in it that you
10 did not understand?

11 A. Well, I'd have to study it at
12 length to answer your question, but in general
13 I understand it, yeah.

14 Q. Okay. Let me direct your
15 attention to that third paragraph, the second
16 sentence. It says, "Due diligence work,
17 including an assessment of year 2000 readiness,
18 has been completed by both companies and their
19 advisors." Do you see that sentence?

20 A. Um-hmm.

21 Q. Did I read that correctly?

22 A. Um-hmm.

23 Q. Okay. Can you define due
24 diligence work, please?

25 A. Due diligence is essentially a

1 measure of concern about the readiness for the
2 year 2000 changeover in the computing system.

3 Q. Okay. Does due diligence include
4 anything else in this context?

5 A. No.

6 Q. Did you have any special expertise
7 with respect to the Y2K changeover?

8 A. Did I?

9 Q. Yes.

10 A. No.

11 Q. So you were not consulted with
12 respect to OHSL's computer systems or anything
13 like that?

14 A. No.

15 Q. Okay. From reading this document,
16 which we've concluded is dated August 3rd,
17 1999, would you conclude that the OHSL Board
18 had already voted to approve the transaction on
19 or before this date?

20 A. I'll have to read it again
21 carefully to answer that question. Let me read
22 it again. It says right here it was approved
23 by both Boards. Wasn't that your question?

24 Q. Well, the answer is, you would
25 conclude that it was approved by the OHSL Board

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1 on or before August 3rd, 1999, correct?

2 MR. BURKE: Objection. Document
3 speaks for itself, he has no firsthand
4 knowledge of that.

5 A. I don't know about the date, but I
6 do know it says the Board of both have approved
7 it.

8 Q. And the date of this press release
9 is August 3rd, correct?

10 A. Yeah.

11 Q. Top left?

12 A. Yeah.

13 Q. Okay. So it couldn't be referring
14 to any vote that took place after August 3rd of
15 1999, correct?

16 MR. BURKE: Objection. You may
17 answer. I mean, I don't think there's any
18 foundation.

19 A. Yeah. It already says it was
20 approved by both.

21 (Steger Exhibit Number 28
22 was marked for identification.)

23 Q. Dr. Steger, the reporter has
24 handed you what has been marked as Plaintiff's
25 Deposition Exhibit 28. And in an earlier

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1 A. Okay, that helps.

2 Q. -- necessary in order to make the
3 statements made, in light of the circumstances
4 under which they were made, not misleading?

5 MR. BURKE: Objection.

6 A. I have no clue what you just said.

7 Q. Okay. I essentially read --

8 A. B?

9 Q. -- paragraph B.

10 MR. BURKE: You want him to -- I
11 mean, I don't understand what you're asking.

12 MR. BRAUTIGAM: I asked if he was
13 familiar with that concept.

14 MR. BURKE: Okay.

15 MS. LUGBILL: Start reading here,
16 otherwise it doesn't make any sense.

17 BY MR. BRAUTIGAM:

18 Q. Dr. Steger, my co-counsel has
19 suggested I approach this in a slightly
20 different way.

21 A. Okay.

22 Q. May I direct your attention to
23 page 14?

24 A. All right.

25 Q. Do you see toward the bottom,

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1 deposition it was marked as Herron Deposition
2 Exhibit 7. Let me represent to you that this
3 is the Court's July 25th, 2000 order on the
4 motion to dismiss.

5 Please take as much time as you
6 need to familiarize yourself with the document.
7 I believe that I can clue you in to certain
8 things that we need to talk about. Dr. Steger,
9 my first question is, have you seen this
10 document before?

11 A. No.

12 Q. Okay. Dr. Steger, are you
13 familiar with the term control person?

14 A. No, but you can educate me.

15 Q. Dr. Steger, are you familiar with
16 something that's sometimes referred to as rule
17 10(B)(5)?

18 MR. BURKE: Objection. Calls for
19 a legal conclusion.

20 A. No.

21 Q. Are you generally familiar with
22 the concept that it's unlawful to make any
23 untrue statement of material fact or to omit to
24 state a material fact -- I'm on page 15 of the
25 document --

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1 footnote nine starts out, 17 C.F.R. Section
2 240.10b (a) and then it says "provides." And
3 the first part of that is -- take as much time
4 as you need to review it, Dr. Steger.

5 A. Okay. That's good not to scheme
6 to defraud. Okay. I'm up to here, now what?

7 Q. Well, actually I think it jumps
8 over to the footnote here, section B.

9 A. Oh, okay. All right.

10 Q. Dr. Steger, are you generally
11 familiar with the concepts outlined in footnote
12 nine?

13 MR. BURKE: Objection. You're
14 asking about a document which he's never seen,
15 asking him to read statutory provisions in the
16 Code of Federal Regulations. I mean, I think
17 it at the very least calls for a legal
18 conclusion, but I object to the form.

19 A. Where is footnote nine anyway?

20 Q. It starts on page 14, Dr. Steger.

21 A. This?

22 Q. Yes, right by your finger.

23 A. Oh, this little tiny nine?

24 Q. Yes, Doctor.

25 A. I'm looking at 17.

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1 Q. That's the first line of the
2 footnote.

3 A. Okay. Well, in general, yeah, I
4 mean, I understand you're not supposed to
5 mislead people.

6 Q. Okay. Dr. Steger, if Mr. Hanauer,
7 the OHSL CEO and Board member, was against the
8 transaction but he didn't disclose his feelings
9 to the investing public, do you think that that
10 had the effect of misleading the investing
11 public?

12 MR. BURKE: Objection. Calls for
13 speculation, misstates the record. Assumes
14 facts not in evidence. And I believe it's been
15 asked and answered. You may answer.

16 A. No, he voted yes.

17 Q. Okay. What about his vote as a
18 shareholder?

19 A. That's irrelevant.

20 Q. Why do you believe that that's
21 irrelevant?

22 A. When you're in a role as a
23 director and you vote yes, that's your role as
24 a director. If I then want to sell my stock or
25 I want to burn the stock, it's my business. It

1 has nothing to do with the transaction.

2 Q. Dr. Steger, please clarify for the
3 jury why you believe that the vote of the
4 person who's running the meeting, asking people
5 to vote in favor of the transaction --

6 A. I don't know that.

7 Q. -- but who voted his personal
8 shares against the transaction, is irrelevant.

9 MR. BURKE: Objection. Asked and
10 answered.

11 A. Yeah. I don't know how many times
12 I've got to answer this for you. The act of
13 voting is the defining moment for the decision.
14 Not selling your stock. That has nothing to do
15 with the business of the day. The business of
16 the day is do we want to go with Provident or
17 not. Unanimously we do, period.

18 Q. Dr. Steger, in the previous answer
19 you referred to not selling your stock. I
20 believe the hypothetical that I set up was a
21 little different in the sense that it didn't
22 involve selling the stock, it involved voting
23 your shares against the transaction.

24 A. Fine.

25 Q. Are you with me?

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1 A. Yeah, but that's irrelevant.

2 Q. And your answer is the same?

3 A. Yeah.

4 Q. Okay. Dr. Steger, with respect to
5 Plaintiff's Deposition Exhibit 27, the press
6 release --

7 A. Yeah.

8 Q. -- if I could direct your
9 attention to the paragraph that starts, "OHSL
10 president and chief executive officer." Do you
11 see that?

12 A. Yeah. This one, Hoverson?

13 Q. No.

14 A. Oh, down here. Oh, that's the
15 guy, Hanauer.

16 Q. Yes. Do you see that paragraph,
17 Dr. Steger?

18 A. Um-hmm.

19 Q. Could you read that to yourself,
20 please.

21 A. Um-hmm.

22 Q. Dr. Steger, would it be fair to
23 conclude from reading that paragraph that Mr.
24 Hanauer is in favor of this transaction?

25 A. Yeah, and he voted yes.

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1 Q. Okay. Would it be further fair to
2 conclude from reading that paragraph that Mr.
3 Hanauer would vote his personal shares in favor
4 of the transaction?

5 MR. BURKE: Objection.

6 A. That's speculation. I can't --
7 I'm not Hanauer.

8 Q. Dr. Steger, are you familiar with
9 the term known as voting agreements?

10 A. No.

11 Q. Dr. Steger, have you ever heard of
12 Project Bearcat?

13 A. No. Bearcat, that's good. I'd
14 like to find out about it.

15 (Steger Exhibit Number 29
16 was marked for identification.)

17 Q. Dr. Steger, I have handed you what
18 has been marked as Plaintiff's Deposition
19 Exhibit 29, and I ask you to take a look at it.
20 For the record, this is a document entitled
21 McDonald Equity Research. And it's dated
22 August 18th, 1999.

23 A. Oh, this is somebody doing
24 research. Probably a broker or somebody like
25 that? Do you know what the group is?

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Q. Yes, Dr. Steger, I believe it's McDonald Investments. Dr. Steger -- right. Their contact information is referenced on the last page of the document, I believe they're based in Cleveland. In the lower right-hand side there's a little key that says McDonald Investments and then has their address in Cleveland.

A. Oh, yes, thank you.

Q. Dr. Steger, if you could keep this in front of you, are you familiar with the phrase conflict of interest?

A. Um-hmm.

Q. What do you understand that phrase to mean?

A. It means that essentially you have what I would call a concern because your interest in one thing has a problem with another activity that you're engaged in.

Q. And in the business world, is that a problem?

MR. BURKE: Objection. You may answer. Calls for speculation.

A. It can be or it can't be, depends how you deal with it.

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stuff. So unless you know the circumstances, I can't answer the question.

Q. Are you familiar with the term Chinese wall?

A. Um-hmm.

Q. What do you understand that term to mean?

A. Well, it's big with law firms. And if he's working for me and you're working for someone else, the two of you don't talk to each other about the case.

Q. Is that the concept that you referred to in your previous answer?

MR. BURKE: Objection. I don't think he referred to that concept.

A. No, I didn't refer to that concept. I referred to the fact that they're very busy doing their shtick and I don't see where -- it could be that it could be an influence. It could be that it couldn't be an influence. But I can't answer the question. I don't know enough about the firm. I don't know enough about what you're talking about. You're asking me to speculate.

Q. Dr. Steger, was the merger between

Q. Okay. How was the Oak Hills-Provident merger structured?

A. I have no idea, its structure. I don't know what that means.

Q. Can you tell me the terms of the OHSL-Provident merger?

A. No.

Q. Not even one term?

A. (Witness shook head.) I mean, I know you bought out stock and things like that, but I don't remember all that stuff.

Q. Dr. Steger, did OHSL's Board, or the company itself, have investment bankers advising them on the transaction?

A. I wouldn't have a clue.

Q. Do you think that if they had McDonald & Company advising them on the transaction, that McDonald investments should also be rating Provident stock?

MR. BURKE: Objection. Calls for speculation.

A. Yeah, I mean, I would -- I don't object because most of those are in companies, the investment people are not the people that are advising them, those are writing this

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Oak Hills and Provident in some way dependent on the price of Provident stock?

A. Well, yeah, because the stock was used for the purchase.

Q. And if McDonald Investments was advising OHSL with respect to the transaction and at the same time changing its rating to the highest rating and aggressive buy, do you think that that raises possible conflict of interest questions?

MR. BURKE: Objection. Calls for speculation.

A. Yeah, you're asking me to assess whether they did a dastardly act or not, and I don't have a clue.

Q. Well, respectfully, Dr. Steger, I'm not asking you to assess whether or not there was a dastardly act.

A. That's what you're trying to get at with McDonald and you're saying they got together and there was collusion among their companies and that's why they came out with this. I can't tell you the answer to that, I have no clue.

Q. Does the fact that McDonald

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1 Investments was advising OHSI and at the same
2 time changing a rating on Provident stock cause
3 you any concern?

4 MR. BURKE: Objection. Misstates
5 the record.

6 A. Not, not at all.

7 Q. Why not?

8 A. Because that's not unusual.

9 You're assuming they cheat, I'm assuming they
10 don't.

11 Q. Dr. Steger, in your previous
12 answer, you said "you're assuming they cheat."
13 Why do you --

14 A. You, not me.

15 Q. Yes, I understand. Why did you
16 say that?

17 A. Why did I say it? Because you're
18 coming to some great conclusion with no
19 evidence. And the only thing you have left is
20 to assume these people were in collusion.
21 Well, I can make the opposite assumption, and
22 both of us could be wrong

23 (Steger Exhibit Number 30
24 was marked for identification.)

25 Q. Dr. Steger, the reporter has

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1 talking about the OHSI acquisition. Do you see
2 that?

3 A. Um-hmm.

4 Q. Would you take a moment to read
5 that part of the page to yourself, please?

6 A. Just Fred Cummins?

7 Q. Yes.

8 A. Okay.

9 Q. Have you had a chance to review
10 that section?

11 A. Yeah. There's two sentences
12 there.

13 Q. Okay. Do you see Chris Carey has
14 a comment in the penultimate paragraph?

15 A. Um-hmm.

16 Q. And would you read that comment
17 into the record, please?

18 MR. BURKE: The penultimate
19 paragraph, are we talking one, two -- fourth
20 paragraph from the bottom?

21 Q. No, penultimate means second to
22 the last.

23 A. Oh, down here. So that one has
24 come off without a hitch.

25 Q. Right. And Mr. Carey was

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1 handed you what has been marked as Plaintiff's
2 Deposition Exhibit 30. Please take a look at
3 that. For the record, this is a transcript of
4 a conference call that took place on January
5 19th, 2000, bearing Bates numbers P02016 to
6 P02025. Dr. Steger, my first question is, have
7 you seen this document before?

8 A. No.

9 Q. Have you perhaps read this
10 document in a different form, such as on the
11 Internet?

12 A. No.

13 Q. Dr. Steger, are you familiar with
14 the concept of forward looking statements?

15 A. No.

16 Q. If I could direct your attention
17 to several pages into the document, bearing the
18 Bates stamp, that's that P number, ending in
19 19. Do you have that?

20 A. Yes.

21 Q. Okay. Do you see where Fred
22 Cummins of McDonald Investments starts speaking
23 in the middle of the page?

24 A. Um-hmm.

25 Q. Okay. A little further down he's

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1 referring to the OHSI merger, correct?

2 A. Um-hmm.

3 Q. Do you agree with his assessment
4 that the merger came off without a hitch?

5 A. Yeah.

6 Q. Well, what about the fact of the
7 litigation and you sitting here today?

8 A. Oh, you can get sued for anything.
9 That doesn't mean a thing.

10 Q. Do you believe that this
11 litigation has no merit?

12 A. Yeah, I'd say so.

13 Q. Okay. What is that conclusion
14 based on?

15 A. The unanimous vote of their Board
16 and so forth.

17 Q. Anything else?

18 A. No. I mean, it's a transaction
19 that seems to me to have gone the way it --
20 both Boards voted and there's nothing else in
21 there.

22 Q. Do you understand that a federal
23 judge has reached a slightly different
24 conclusion?

25 MR. BURKE: That's a

1 misrepresentation of the record, Mike.
 2 A. Well, first of all --
 3 MR. BURKE: Objection to the
 4 form. Assumes facts not in evidence.
 5 A. How could I answer that question?
 6 I can't answer that question. I'm not going to
 7 say what a federal judge should be doing.
 8 Q. Well, did you read the order?
 9 That's one way you can answer the question.
 10 MR. BURKE: Objection. Asked and
 11 answered, he said no.
 12 Q. Dr. Steger?
 13 A. Hmm-um.
 14 Q. Okay. Is there a particular
 15 reason why you did not read the order?
 16 A. I, I told you earlier, we run so
 17 many suits at the University. And you know
 18 what? Most of them are brought and we win 80
 19 or 90 percent of them because, as I said, most
 20 of the time there's not a misbehavior. And
 21 I -- and you're trying to get there and I don't
 22 see you getting there.
 23 Q. Dr. Steger, what would a material
 24 amount be to Provident's financial statements?
 25 A. A material amount?

1 MR. BURKE: Objection. Calls for
 2 speculation.
 3 A. Again, I'd have to have Provident
 4 answer that question, not me. I mean we'd have
 5 to go back and officers could answer that
 6 question.
 7 Q. Do you believe there's any
 8 Provident director who would be capable of
 9 answering that question?
 10 MR. BURKE: What question? As to
 11 what's a material amount?
 12 Q. Yes.
 13 A. No.
 14 MR. BURKE: Objection. Calls for
 15 speculation.
 16 A. That's the thing that's bothering
 17 me, I don't know what it would be.
 18 Q. Do you think that that's something
 19 that a member of the audit committee should
 20 know?
 21 A. Well, we don't sit down and
 22 calculate material amounts.
 23 Q. Have the auditors ever discussed
 24 with the committee materiality thresholds?
 25 A. No.

1 Q. Yes.
 2 A. I don't know. We'd have to talk
 3 about when and what time and in what sense.
 4 Q. How about in 2002?
 5 MR. BURKE: Objection. Calls for
 6 speculation.
 7 A. In 2002, again, I don't know what
 8 it would be defined as.
 9 Q. Well, order of magnitude. A
 10 hundred dollars would not be a material amount
 11 with respect to an institution as large as
 12 Provident, correct?
 13 A. Yeah, but I'm not going to
 14 speculate on what is.
 15 Q. Well, perhaps we could bracket it.
 16 A hundred million would be a material amount to
 17 Provident, correct?
 18 MR. BURKE: Objection. Asked and
 19 answered.
 20 A. It depends on what it did for or
 21 against us. I mean sometimes you have to write
 22 off things like that.
 23 Q. Right. If you had to pay someone
 24 a hundred million dollars, would that be a
 25 material amount to Provident?

1 Q. Are you familiar with the term
 2 materiality threshold?
 3 A. Not particularly, because as I
 4 said, we sit down with the auditors and we go
 5 through a lot of things, but they're already
 6 done at that level.
 7 Q. What are some of the things that
 8 you go through with the auditors?
 9 A. Well, we go through audited
 10 statements to make sure that they find no
 11 misrepresentation, that they find that we have
 12 a -- gone along with all of the federal and
 13 state laws and so forth and that the
 14 information is accurate. And then we also go
 15 through our computing area and the year 2000
 16 problems. We go through things with the
 17 auditors over training of our people. We go
 18 through them with new things that are coming
 19 down from whatever those audit commissions are
 20 called, that are now going to be the future way
 21 you do things, so forth.
 22 Q. And how does that process work?
 23 Does the auditor speak and the committee
 24 listen, or is there interchange? Can you just
 25 describe for the jury what that process

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1 consists of?
 2 MR. BURKE: Objection to form.
 3 A. Well, there's more than one
 4 auditor. There's the audit committee, there's
 5 our internal auditor, then there's the external
 6 auditor, and you go through that. And it could
 7 be, for example, the feds just finished a
 8 review and we walk through the federal review
 9 of what, you know, everything looks like. And
 10 we get a clean review and we're all very happy
 11 and so forth.
 12 Q. Dr. Steger, have you asked
 13 questions at audit committee meetings?
 14 A. Certainly.
 15 Q. Do you remember any of these
 16 questions?
 17 MR. BURKE: Objection to
 18 relevance, you may answer.
 19 A. Yeah, I mean especially around,
 20 because of my background, around the change
 21 from the 2000 for the computing system and all
 22 of that kind of thing, I asked a lot of
 23 questions.
 24 Q. Okay. Did Provident recently,
 25 within the last year or so, change its

1 accounting treatment?
 2 MR. BURKE: For what?
 3 A. Yeah.
 4 Q. In any way.
 5 MR. BURKE: Objection. Calls for
 6 speculation.
 7 A. I don't know what you -- what
 8 accounting you're talking about.
 9 Q. Did Provident change any
 10 accounting treatment at all?
 11 A. I, again, you know, there's -- you
 12 have fund accounting, you have profitability
 13 accounting, you have cash accounting. What are
 14 you talking about? You've got to give me a
 15 clue to answer your question.
 16 (Steger Exhibit Number 31
 17 was marked for identification.)
 18 Q. Dr. Steger, the reporter has
 19 handed you what has been marked as Plaintiff's
 20 Deposition Exhibit 31. I would ask you to take
 21 a look at it, sir. Dr. Steger, have you seen
 22 that document before?
 23 A. Yes.
 24 Q. Are you familiar with it?
 25 A. No.

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1 Q. Do you recognize it?
 2 A. Um-hmm.
 3 Q. What is Plaintiff's Deposition
 4 Exhibit 31?
 5 A. What is it?
 6 Q. Yes.
 7 A. The minutes from the meeting of a
 8 Board of Directors meeting.
 9 Q. And it's the meeting of September
 10 16th, 1999, correct?
 11 A. Correct.
 12 Q. And it's in heavily redacted form?
 13 A. Yeah.
 14 Q. Redacted form. Is that fair?
 15 MR. BURKE: It's in redacted form.
 16 Q. Okay. Dr. Steger, what's the
 17 purpose of Board minutes?
 18 A. To document the Board meeting.
 19 Q. And how are Board minutes used?
 20 A. How are they used?
 21 Q. Yes.
 22 A. Well, I guess if anybody has a
 23 question, they can go back and read them.
 24 Q. Okay. Dr. Steger, did Provident
 25 intend from the beginning to close down some

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1 Oak Hills branches?
 2 A. Never was discussed.
 3 Q. Can I direct your attention to the
 4 second page of the document bearing Bates
 5 number P001034? Do you see that?
 6 A. Yeah.
 7 Q. And the heading at the bottom of
 8 that page reads, "Branch Consolidation and
 9 Closure." Is that correct?
 10 A. Correct.
 11 Q. And that refers to Oak Hills
 12 branches that are targeted for foreclosure?
 13 A. Yeah.
 14 Q. Does that refresh your
 15 recollection as to whether or not this topic
 16 was discussed?
 17 A. Well, that's not what you asked
 18 me. You asked me did they plan on doing it.
 19 And this is when it was up -- brought to the
 20 Board, so I don't know if they planned on doing
 21 it when. That's what you asked.
 22 Q. Dr. Steger, when you used "they"
 23 in your previous --
 24 A. The management.
 25 Q. Okay. Do you think that it's

1 important for the directors to know what the
2 management planned to do?

3 A. Well, that's what they brought to
4 us. They brought a consolidation plan to us,
5 which is good, saving money.

6 Q. And did you agree with closing
7 these branches?

8 A. Yes.

9 Q. Okay. Because it saved money?

10 A. Um-hmm.

11 Q. That's yes?

12 A. Yeah.

13 Q. Did you disclose Provident's
14 intention to close branches to the investing
15 public?

16 A. Well, I didn't disclose anything
17 to anybody.

18 Q. Okay. Did Provident disclose its
19 intent to close OHSL branches to the investing
20 public?

21 MR. BURKE: Objection. Calls for
22 speculation. You may answer.

23 A. I have no idea if they did.

24 Q. Okay. Where would you go to find
25 an answer to that question?

1 A. Well, you'd have to call

2 Provident.

3 Q. And who would you suggest that I
4 speak to to get an answer to that question?

5 A. Probably one of the officers.

6 Q. Okay. Anyone in particular?

7 A. Well, this was brought by Mr.
8 Magee, legal counsel, so call the legal
9 counsel.

10 MR. BRAUTIGAM: Okay. Dr. Steger,
11 we've been at this for another hour. I think
12 we're close to the end. I suggest a short
13 break. Is that agreeable?

14 THE WITNESS: That's fine.

15 MR. BURKE: That's fine.

16 (Brief recess.)

17 BY MR. BRAUTIGAM:

18 Q. Dr. Steger, back on the record.
19 What types of things are brought to the audit
20 committee at Provident?

21 A. What types of things are brought?

22 Q. Yes.

23 A. Well, we go over, for example, the
24 distribution of manpower in terms of auditing
25 and make sure they have enough people. We go

1 over the schedule of the kinds of things
2 they're auditing and why they're auditing. And
3 the criteria that auditors suggest for his
4 distribution of his manpower -- I shouldn't say
5 that -- people power, that's better -- people
6 power for the next month or two months, and
7 then what they're going to audit and how
8 they're going to do it and so forth.

9 Q. And what type of things are not
10 brought to the audit committee?

11 MR. BURKE: Objection.

12 A. I don't know because they're not
13 brought.

14 Q. Okay. Have there been other
15 purchases or mergers at Provident while you've
16 been a director?

17 A. Purchases, yeah.

18 Q. Which ones?

19 A. Off the top of my head I can't
20 name them. We bought some other small banks.

21 Q. Okay. And --

22 MS. LUGBILL: Where is the
23 McDonald document?

24 Q. All right. Does Fidelity
25 Financial of Ohio ring a bell?

1 A. Yeah, Columbus.

2 Q. All right. Dr. Steger, could I
3 direct your attention to this document? It's
4 Exhibit 29.

5 A. Here it is.

6 Q. Can I direct your attention to the
7 page ending 27?

8 A. Twenty-seven. Okay.

9 Q. Do you see a chart at the top of
10 the page?

11 A. Uh-huh.

12 Q. Are those banks that Provident has
13 acquired?

14 A. I don't know if they are or not.
15 Some of them may go way back.

16 Q. Okay. What does that chart
17 represent, if you know?

18 A. I don't know. Where is the chart
19 explained?

20 Q. Good question.

21 MR. BURKE: Counsel, I don't mean
22 to suggest a -- I believe that's a comparison
23 of revenue growth among various types of
24 financial institutions.

25 Q. Right. It's not related to --

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MR. BURKE: These are not companies that we bought.

A. I was going to say, I don't remember buying any of them.

Q. All right. Do you remember any other acquisitions or mergers?

A. By name, not off the top of my head, no.

Q. Okay. Dr. Steger, we talked a little bit about conflict of interest before. Do you remember that testimony generally?

A. Um-hmm.

Q. Are you familiar with the state court litigation that was filed about this merger?

A. No.

Q. Did you know that state litigation was filed with respect to this merger?

A. Hmm-um.

Q. Okay. Let me represent to you that there was such an action and Provident was represented by Mr. Burke and the KMK firm, and Oak Hills at the beginning was represented by the Dinsmore firm. Are you with me so far?

A. Um-hmm.

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is now a part of Provident --

A. Yeah.

Q. -- but the Oak Hills directors remain individuals, correct?

A. Well, they remain individuals, except you were telling me that Provident is representing them in the particular case.

Q. Correct.

A. Yeah.

Q. And my question is, do you believe that your interests as a Provident director are exactly the same as the interests of the Oak Hills directors?

MR. BURKE: Objection. Calls for speculation. You can answer.

A. They voted yes, they wanted to be part of us, so I assume their interests are the same.

Q. Dr. Steger, is there anything that you would do different, you personally, with respect to the OHSL and Provident merger?

A. No.

Q. You are a person who depends in large part upon his reputation, correct?

A. Everybody does.

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Q. Okay. In this federal litigation, are you aware that the KMK firm represents Provident and the Provident directors, as well as Oak Hills and the Oak Hills directors? Are you aware of that fact?

A. No.

Q. Do you think that that may be a possible conflict of interest?

MR. BURKE: Objection. Calls for speculation, irrelevant.

A. Well, off the top of my head, no, because they've been acquired so why shouldn't they be defended.

Q. Do you think that the interests of the former Oak Hills directors and the interests of Provident and the Provident directors such as yourself are exactly the same?

A. Now that they're merged, yeah.

Q. Well, the Oak Hills directors aren't merge with the Provident directors, correct?

A. No, but the -- assuming the bank says that they're part of Provident.

Q. Dr. Steger, I understand that OHSL

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Q. But you in particular, as a public figure and university president, correct?

A. No. I think every individual has to have credibility. I don't care if they're a janitor or they're the head of the university.

Q. Dr. Steger, does it bother you in some sense that you've been accused of securities fraud?

A. No. I know I didn't.

Q. And how do you know that?

A. Because we've been spending all afternoon with me telling you how I know it.

Q. Could you be more specific with respect to that answer?

A. Very simply the Board of the bank that we acquired voted unanimously to be acquired, so what's the fraud?

Q. Dr. Steger, were the proxy materials ever brought to the audit committee before they were released to the investing public?

A. Well, the proxy materials would never be brought to the audit committee anyway.

Q. Were they ever brought to the Board?

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1 MR. BURKE: Objection. Asked and
2 answered. You may answer again.
3 A. Yeah, I -- I don't believe they
4 were brought to the Board before they were
5 released, no. I mean --
6 MR. BURKE: Off the record.
7 (Discussion off the record.)
8 BY MR. BRAUTIGAM:
9 Q. Dr. Steger, was the deal itself
10 ever brought before the audit committee?
11 A. Not that I recommend -- I mean
12 remember.
13 Q. Was the acquisition of Fidelity
14 ever brought to the audit committee before it
15 occurred?
16 A. Was the acquisition of what?
17 Q. Of Fidelity.
18 A. Oh, you mean the one up in
19 Columbus?
20 Q. Yes.
21 A. Yes, that was brought to the
22 Board.
23 MR. BURKE: To the Board or the
24 audit?
25 A. No, not the audit.

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1 time.
2 THE WITNESS: Thank you.
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9 (Deposition concluded at 3:15 p.m.)
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1 Q. Why was this one brought to the
2 Board and this one not brought to the Board?
3 A. This was brought to the Board.
4 Q. What was the circumstances of it
5 being brought to the Board?
6 A. This was a presentation like we
7 normally had, and everybody listened and said
8 that sounds good.
9 Q. And how long did this presentation
10 take?
11 A. Oh; I can't remember.
12 Q. Was it at one Board meeting?
13 A. Yes.
14 Q. And how long do Board meetings
15 typically last?
16 A. They can last four hours, five
17 hours, or they can last two hours depending on
18 the docket.
19 Q. And you don't remember how long
20 this one was?
21 A. No.
22 MR. BRAUTIGAM: Okay. Well, Dr.
23 Steger, I'm afraid that I have no further
24 questions at this point, subject to reconvening
25 at some point later. And I thank you for your

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CERTIFICATE

1 STATE OF OHIO: SS:
2 COUNTY OF HAMILTON:
3 I, Lee Ann Williams, a duly qualified
4 and commissioned notary public in and for the
5 State of Ohio, do hereby certify that prior to
6 the giving of his deposition, the within named
7 JOSEPH A. STEGER was by me first duly sworn to
8 testify the truth, the whole truth and nothing
9 but the truth; that the foregoing pages
10 constitute a true and correct transcript of
11 testimony given at said time and place by said
12 deponent; that said deposition was taken by me
13 in stenotypy and transcribed under my
14 supervision; that I am neither a relative of
15 nor attorney for any of the parties to this
16 litigation, nor relative of nor employee of any
17 of their counsel, and have no interest
18 whatsoever in the result of this litigation.
19 IN WITNESS WHEREOF, I hereunto set
20 my hand and official seal of office at
21 Cincinnati, Ohio this ____ day of
22 _____, 2002.
23
24 MY COMMISSION EXPIRES: LEE ANN WILLIAMS, RPR/CRR
25 AUGUST 26, 2004 NOTARY PUBLIC-STATE OF OHIO

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